The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Alarming Inflation of Japanese Currency in North China

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He Received Decoration—Then Wrote an Anti-Japanese Book

Hitler Wants Stronger Japan—Mussolini Demands Action Against Powers—Stalin Charges Fascist Intrigue

Four Japanese Groups Fight for Supremacy in Central China

Four Large Japanese Units Sent Home—Extensive New Barracks at Civic Center

Japan Tightens Economic Hold on North China

Soviet Reveals Vast Network of Intrigue Against U.S.S.R.

Outstanding Events in the Sino-Japanese War

China Organizes Her Man-Power to Prolong Resistance . . . . . By Hin Wong

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

DANGEROUS FINANCIAL JUGGLING IN NORTH CHINA

THE new "Federated Reserve Bank" which the Japanese announced they were opening in Peiping this week—to replace the Chinese Central Bank—will oppose a policy of inflation, according to *Domei*. But nevertheless, the new bank will immediately issue banknotes to make up for the paper currency which, according to the Japanese report, was transfered to the South prior to the occupation of Hopei province by Japanese troops.

The face value of paper currency in circulation in North China prior to Japanese occupation, was said to be approximately $250,000,000 which was secured by $56,000,000 in silver. The Chinese authorities in the North had refused to ship their silver to the Central Bank, so the Japanese seized it when they occupied Peiping and Tientsin. That the banknotes of Government banks in the North were shipped south, prior to the Japanese occupation, will be news to most persons—who will doubt the accuracy of the report. Furthermore, the report is at variance with a previous Japanese demand that the Central Bank at Shanghai exchange the North China banknotes for equivalent value in American or English currency. The Central Bank, naturally would not be likely to do that because it would amount to handing over to the new Japanese bank a sum of money equivalent to about $62,000,000 in U. S. currency.

The Japanese statement that the new bank will oppose inflation also does not carry conviction because the *Osaka Mainichi* on Feb. 27 published a report that an arrangement had been made whereby the new bank and the Japanese Bank of Chosen, will "exchange notes." There then followed the startling statement that the Bank of Chosen, which has its headquarters in Korea and is under the influence of the Kwantung branch of the Japanese Army, had "suddenly increased its note circulation in North China from a pre-war figure of $5,000,000 or $6,000,000 to between $50,000,000 and $60,000,000. This dis-

closure indicates that the Bank of Chosen in North China has followed the practice of other Japanese banks here, in issuing currency to meet the demands of the Japanese Army. Prior to the outbreak of the war in the North last summer it was reported that the Bank of Chosen also had guaranteed a $50,000,000 note issue of the so-called Bank of East Hopei. As the East Hopei regime has been liquidated, one wonders whether the new bank also will be saddled with this note issue, in addition to the notes of the Bank of Chosen. There was a further report by *Domei* (Peiping, March 4) stating that the Bank of Chosen was also expanding into North China, "simultaneously with the opening of the Federated Reserve Bank."

According to reports from Peiping and Tokyo this week, the Bank of Japan had instructed the large private banks, including the Bank of Chosen, Bank of Taiwan, Yokohama Specie, One Hundredth Bank, Mitsubishi, Mitsui, Yasuda and Sumitomo banking interests to advance credits to the extent of Y.100,000,000 to the new Peiping Bank. This credit, plus the silver reserves which the Japanese Army seized from the Chinese banks, will be used as collateral for the new bank's note issue which will start at $60,000,000. According to the *Asahi* the Japanese banking consortium's credit to the new bank will be for one year, "twice renewable." The Peiping "Provisional Government" will he held jointly responsible for the credit of Y.100,000,000 advanced to the new bank. The credit will be used, according to *Domei*, "solely for the settlement of North China's outstanding trade accounts with Japan."

***

The *Japan Advertiser* (Tokyo, Feb. 15) said that British authorities in Japan were paying close attention to reports of "prospective negotiations" between the Manchurian Industrial Development Corporation of Hsinking (Changchun) and American financiers, concerning the importation of foreign capital for industrial development of Manchuria. The report in the *Advertiser* was based on statements in a Japanese paper, *Nikkan Gogyo*, to the effect that since Germany had advanced "not very large loans" to Manchukuo, it was hoped better results might be forthcoming from the United States. But American machinery houses all wanted cash and in consequence of the prevailing financial situation in Japan little hope was entertained. Yoshisuke Aikawa, head of the Japanese concern, which specialized in heavy industries, therefore hoped that American financiers might be interested in extending credits for at least U. S. $50,000,000, which the Japanese would use for buying American machinery. Mr. Aikawa said that the companies he represented might purchase second-hand machinery if sufficient credits could not be obtained for new machines. The Japanese concern, known in Manchuria as "Manshu Jukogyo Kaihatsu Kabushiki Kaisha," or Manchurian Heavy Industry Development Company, Ltd., was incorporated on Dec. 1 of last year for the purpose of taking over five subsidiaries of the South Manchuria Railway: Showa Steel Works, Manchurian Coal Mining Compang, Manchurian Gold Mining Company, Dowa Automobile Company, Manchurian Light Metal Company. There has been considerable controversy over the Government's appraisal of the share values of these concerns and it also has become known that the Development Company, popularly known as "Mangyo "is not a private enterprise, but actually is owned completely by the puppet state of Manchukuo, which financed the deal by handing over paper currency to the value of $107,000,000 to the S. M. R., for which the Government received the shares of the various companies concerned. The S. M. R. will, in turn hand over Y. 75,000,000 to a bankers' syndicate in repayment for loans. The Manchukuo Government has anounced its intention of issuing bonds to the value of Y.100,000,000, which will be guaranted by the Bank of Japan and secured on the properties of the five industries taken over from the S. M. R.

***

There were rumors in circulation this week that the Japanese military authorities were threatening to seize the Chinese Salt Gabelle, or monopoly, the revenues of which, in the past have constituted a chief source of government income. The Salt Gabelle is security for numerous foreign obligations of the Government, including loans in Great Britain amounting to £7,000,000; in United States amounting to U. S. $12,000,000 and in Japan amounting to Y.45,000,000. It was reported that interest and amortization payments of these loans have been kept up, with the possible exception of the Japanese loans. The Japanese seized the properties of the Salt Administration throughout North China shortly after the intervention in August. It was rumored that both the British and American Governments had strongly protested against the threatened Japanese seizure.

U. S. RED CROSS DRIVE CONTINUED

Officials of the American Red Cross in Washington denied, on March 4 that its drive for funds for relief in China had ended with only U. S. $70,000 collected. Officials of the organization were quoted by the *United Press* as stating that several factors had been responsible for slowing down the drive, among them being the death of Admiral Cary T. Grayson, President of the organization. Another element was that the President's appeal for U. S. $1,000,000 had been made in the midst of another appeal on behalf of crippled children. The slowness of the response was not due to lack of sympathy for the unfortunate Chinese but to the pressure of local needs in the *United States* caused by increased unemployment with acute distress among the jobless. It was hoped that ultimately a substantial contribution could be made.

HE RECEIVED A DECORATION—THEN WROTE ANTI-JAPANESE BOOK

SEVERAL years ago the Japanese Government awarded a high decoration to the head of an American press organization and for many years thereafter the American journalist was always reminded of the decoration when anything adverse to Japan appeared in a news report published by any of the newspapers with which this particular journalist was connected. Since that time most leading American papers have forbidden their editors or correspondents to receive decorations from foreign governments.

The Japanese have always had the idea that when a foreigner was awarded a decoration, he automatically became a protagonist for everything Japanese for the remainder of his life. The Japanese also have had the idea that all foreign writers, whether connected with newspapers or magazines or producers of books "have their price," if not actual money advanced from secret governmental funds or from the coffers of the South Manchuria Railway, then perhaps a decoration may serve the purpose!

These paragraphs will serve as introduction to an article published in the *Asahi Shimbun* on March 1, referring to a new book recently written by Dr. A. B. Scherer, an American professor who resided in Japan for many years and wrote many books on various phases of Japanese life. Recently, Dr. Scherer wrote another book on Japan, entitled, "Japan Defies the World," which was somewhat different from his previous works in that it critically analyzed various phases of Japanese life, particularly the curious mixture of feudalism and modernism with which the outside world is now becoming familiar—and alarmed! In reprinting the article from *Asahi*, we obviously take no responsibility for the insinuations that Dr. Scherer wrote his new book in retaliation for Japan's refusal to employ him as an adviser on the S. M. R., or because of some special inducement by an anti-Japanese faction in the United States. It was reported at the time Dr. Scherer was awarded the decoration that he informed the Japanese authorities that he did not intend to permit the decoration to interfere with his independence in future writings. The article from the *Asahi* follows:

"Dr. James A. B. Scherer, who had lived for many years in Japan as a friend of the nation and was awarded last July the third class order of the Sacred Treasure in recognition of his services towards American-Japanese friendship, has been found to be the author of a virulent anti-Japanese book and has incurred the black displeasure of the Foreign Office. His book has been banned from importation by the Home Office. The authorities are further discussing countermeasures in secret.

"The 67-year old former professor in the University of Southern California came to Japan 45 years ago and taught at the Saga middle school in Kyushu. There he was teacher of English to Jinzaburo Mazaki, the famous General Mazaki of the February 26 sympathizer case.

"Since then he frequently visited Japan and in the interval wrote 'The Romance of Japan,' 'Japan Today,' 'Manchukuo,' 'The Advance of Japan,' and other numerous books, with the understanding and sympathetic tone of which he won the appreciation and confidence of the people of Japan.

"He went home for the last time in June last year, just before the outbreak of the China Incident, and in July was rewarded by the third class order of the Sacred Treasure through Consul Hori at Los Angeles. American papers throughout the country at that time made much of the honor conferred upon 'the authority on Japan.'

"Suddenly it came to the notice of the Foreign Office recently, however, that a bombshell anti-Japanese book had been published by the Bobbs Merrill & Co. of Indianapolis, entitled 'Japan Defies the World' ($2.50). The astonished Foreign Office immediately got hold of the volume and found that throughout its 272 closely-printed large pages malicious anti-Japanese abuses extend from cover to cover.

"The books in one passage says that in Japan, the carpenter builds a house from the roof down after the tiles have been laid, the Japanese ride horses from the right side and put the horses in the barn facing the wall. They spread their dishes on the floor and begin eating with the dessert. They read a book backwards from the last page. In everything Japan is opposite to Americans.

"Japan, the books goes on, utilizes its most modernistic commercial and industrial facilities to dump its goods on the world market, while the majority of its inhabitants lead a primitive life not a whit different from their life in the feudalistic age. The Japanese people are trying to live in the past and the present at the same time. This terrible inconsistency constitutes the motive power of Fascism in Japan.

"Concentrating all his literary skill on vicious comments on Japan's glorious history, he distorts the principle on which Japan has sent expenditionary forces to China. From Chapter I: Lightning Change to Chapter XVI: Dead Meteorite, he has nothing but the most malicious abuses for Japan, as if he had torn off his mask of friendship for Japan and gone mad with exaltation over it.

"It is believed that he has written this book on the promise of a big reward from the anti-Japanese faction in the United States, being rather in need of money recently, and also in retaliation for the rejection of his offer to the South Manchuria Railway Co., to become its adviser.

"In brief, Dr. Scherer has betrayed his friend, Japan, and killed his scholarly conscience in order to obtain some immediate gain, it is believed.

"At the Foreign Office it was said on this matter: "Very unfortunate, of course, but we believe that the book has been completely barred from being imported before a single copy has reached our shores. It seems that he has seized his chance to make money by utilizing his intimate knowledge and experience of Japan on instigation by the anti-Japanese faction.

"But as he did write many good books on Japan, which have done a great deal in fostering understanding of Japan, we shall have to ignore this matter, unpleasant as it is."

FOUR JAPANESE GROUPS FIGHT FOR SUPREMACY IN CENTRAL CHINA

ANOTHER week has gone by, but despite strenuous efforts, Japanese militarists and politicians have not been able to make much headway in setting up their puppet government for Central China. Originally, the date was set for March 1; Then, it was postponed to March 12, which is the 13th anniversary of the death of Dr. Sun Yat-sen. Now there is another postponement.

Many reasons have been given for the hitch in the Japanese plans. There was, of course, the assassination of Gen. Chou Feng-chi, ex-Chekiang warlord, who was slated as Minister of War in the new regime. But rivalry for power among the various Japanese groups plus the need for further consultation between Japanese authorities in Tokyo and Chinese politicians concerned were potent causes of delay.

One widely circulated Chinese report stated that four Japanese groups are struggling for domination of occupied territories in Central China. Such control would naturally carry with it the domination of the future government. Most influential of these groups was said to be one led by Gen. Iwane Matsui, former Commander-in-Chief of the Japanese forces in central China. This group has organised an "East Asia Peoples' Association" with headquarters at the New Asia Hotel in Hongkew. It is trying to enlist the support of old-style Chinese militarists and politicians in the new administration.

Japanese naval authorities are said to prefer Chinese industrialists and civic leaders as the backbone of their regime. They are the supporters of the so-called "Shanghai Citizens' Federation."

Still another Japanese army group is said to prefer younger Chinese elements and allegedly has formed a Fascist organization known as the "Min Li Sha" or "People's Society." This group has been credited with many ambitious, far-reaching schemes, but its activity so far has been conducted under cover.

Lastly, Japanese diplomatic and consular officials are said to be responsible for the promotion of an "Anti-Communist Alliance," with headquarters in Pootung. Working through the "Great Way Government," they have been trying to induce reputable Chinese to join the organization, but thus far they have only been able to obtain the support of so-called "third rate Chinese," who are little known and lend little prestige to their backers.

Of the four Japanese groups, the one headed by Matsui was said to be most influential. The weakest, allegedly, was the one supported by consular and diplomatic officials.

Rivalry among a certain class of Chinese politicians for posts in the puppet regime is also said to be keen, another cause for repeated postponements of the inauguration. Various reports have appeared in Chinese and foreign papers regarding the personnel. Many prominent Chinese have been implicated—to their great embarassment. One list of Chinese alleged to constitute the personnal of the "Central China Government" appeared in the *Ta Mei Wan Pao* (Chinese Edition of the Shanghai Evening Post & Mercury):

President	Tong Shao-yi
President of Executive Yuan	Liang Hung-chih
President of Legislative Yuan	Wen Tsung-yao
President of Judicial Yuan	Chang Shih-chao
Minister of Interior and Mayor of Nanking	Chen Chun
Vice-President of Executive Yuan and Minister of Communications	Chen Chung-fu
Minister of Finance	Chen Chin-tao
Minister of Foreign Affairs	Chen Loh
Minister of War	Chou Feng-chi.

It was also claimed Dr. Ho Shih-cheng, President of Chih Tze University and close associate of the late Hu Han-min, had been offered the post of President of the Judicial Yuan, but had declined. Chang Shih-chao, former Minister of Education in the Peking Government under the late Marshal Tuan Chi-jui, was chosen in his stead.

On Feb. 7, the *Hwa Mei Wan Pao* printed a report, alleging that Dr. Sao Ke Alfred Sze, veteran Chinese diplomat, former Ambassador to the United States, was a candidate for the presidency of the new puppet government. *The Shanghai Evening Post* also carried a similar report. Their publication brought a prompt and vigorous denial from Dr. Sze, who, in a statement issued on Feb. 8, declared;" I neither seek nor will accept any appointment from any quarter. As heretofore, I am not in politics."

The attitude of Tong Shao-yi, venerable statesman and Kuomintang member, has been a matter of considerable speculation. Tong previously denied any connection, but lately he has allegedly been non-communicative. As a result press reports have continued to link his name with the Japanese plan. One report had it that considerable disagreement existed between him and Japanese sponsors. Tong is said to have proposed that the policy of the new government should be anti-Communist but not anti-Chiang Kai-shek. Japanese sponsors, however have insisted that the new regime should be both anti-Communist and anti-Chiang. Negotiations are said to be under way.

Assassination of Chou Feng-chi on Monday of this week had a deterrent effect on other alleged participants in the Japanese program. Chou, a native of Chekiang, had had a colorful career. He was for a time civil governor of Chekiang, serving under the late Sun Chuan-fang in 1924. But he deserted Sun and joined the Nationalists under General Chiang Kai-shek in 1927, whereupon, he was given command of the 26th People's Army. Despite this he was involved in political intrugue against Gen. Chiang and the National Government. Lately, he had associated with the Japanese, and was actively participating in the organization and had been selected for the post of Minister of War.

Turning to North China, Japanese reports have it that Wang Keh-ming, "Premier" of the "Provisional Government" is enthusiastically cooperating in Japanese plans for establishment of the "Federated Reserve Bank of China," scheduled to open on March 10 with Wang as Governor. But reports from Tientsin claim none of the Chinese banks in North China are supporting Wang and the people, fearing their money will be depreciated after the appearance of the new notes, are reported to be withdrawing their deposits and hoarding legal tender notes.

According to a Chinese report, Miao Pin, Kuomintang member and former Commissioner of Civil Affairs of Kiangsu Provincial Government, has joined the Northern Regime as Publicity Director. He is said to be popular with the Japanese. Miao was once attached to General Chiang Kai-shek's headquarters as a radio engineer during the Northern Punitive Expedition of 1926-1927.

Another militarist to join the Northern regime was Ma Liang, who, according to *Domei*, was installed as Governor of Shantung on March 5. *Domei* caused much confusion by mistaking him for the well known Ma Liang, (Ma Hsiang-pa) aged distinguished Chinese scholar and Catholic leader, who was in Nanking before the war and is now in Kwangsi. The Ma who was made Governor of Shantung is a native of Hopei and a former Army Commander. He is said to be a Mohammedan.

Most significant development in Hankow was the report that the Kuomintang will hold the 6th Plenary Session of the Party some time in March. The most important problem to be discussed by the forthcoming Congress, will be that of co-operation between the Kuomin-

tang and Chinese Communist Party. It is expected that a complete reorganization of the National Government may be carried out after the Congress. Such a change would involve reshuffling of the personnel of the five Yuans and the various Ministries and Commissions.

With the arrival at Chengtu of Gen. Teng Hsi-hou, new Pacification Commissioner for Szechuan and Hsikang, succeeding the late Gen. Liu Hsiang, the crisis precipitated by the opposition of the provincial military leaders to the appointment of Gen. Chang Chun as Chairman is now considered to be over. Various provincial leaders wired Gen. Chiang Kai-shek, reiterating their loyalty to the Central Government and expressing satisfaction with the appointment of Gen. Teng. They pledge that Szechuan troops will continue active participation in the campaign of resistance.

Gen. Sun Yuan-liang, also a native of Szechuan and lieutenant of Gen. Chiang Kai-shek, has been appointed Deputy Pacification Commissioner of Szechuan and Hsikang. Gen. Sun participated in the Shanghai hostilities as defender of Chapei and Commander of the 88th Division which later fought heroically in defence of Nanking.

The appointment of Gen. Chang Chun as Chairman, it was claimed in Hankow, is still upheld, but he will not take up the post for the time being. Pending his arrival and assumption of office, Teng Han-hsiang, present Chief Secretary of the Szechuan Provincial Government, will act as Chairman.

Gen. Ma Pu-fang (Mohammedan), Commander of the 2nd Army and of the 100th Division, appointed concurrently Chairman of Chinghai Provincial Government succeeding Gen. Ma Lin, relieved.

Hollington K. Tong, formerly Managing-Director of *The China Press*, Shanghai, appointed Vice-Director of the Centtal Publicity Department, succeeding Fang Chi.

Wu Kai-hsien, C.E.C. member, formerly influential Kuomintang offlcial in Shanghai, appointed Vice-Director of the Central Organization Department.

Maj.-Gen. Chiang Ching-kuo, eldest son of Gen. Chiang Kai-shek, appointed Vice-Director of the Kiangsi Provincial Peace Preservation Bureau.

Lieut-Gens. Pan Yu-chiang and Hsu Chuan appointed Directors of the Honan and Hunan Provincial Peace Preservation Bureaus respectively.

Ho Tung appointed by Kwangtung Provincial Government as acting Mayor of Swatow, succeeding Huang Ping-hsun, transferred.

The presence in Hankow of T. V. Soong, former Finance Minister and now Chairman of the Board of Directors of the Bank of China, has attracted general attention. Earlier reports that he had been appointed Chairman of the Aeronautical Affairs Commission still lack confirmation. It is said that Gen. Chien Ta-chun has been appointed Chairman of the Commission and Madame Chiang Kai-shek, the retired Chairman, continues to retain her membership in the organization. According to a *United Press* report, Mr. Soong's visit in Hankow was in connection with Japanese attempts to undermine Chinese currency. Japanese agents, it is said, are actively engaged in collecting Chinese notes in South China. In some points in South Hunan, $112 in provincial currency was paid for $100 in Central Government bank notes.

Mr. T. V. Soong

On the occasion of the World Day for Women (March 4). Madame Chiang Kai-shek issued the following message:

"On this World Day of Prayer for Women and throughout the Lenten Season, pray that China's sacrifice may not be in vain, but will lead to a just and lasting peace in the Far East."

Of general interest was the report that Gen. Chang Hsueh-liang, the "Young Marshal," will shortly leave Changsha for Hankow. For a considerable time, Gen. Chang has been in retirement his whereabouts being unknown. He is said to have taken no active part in the present war, although the units of the Northeastern Army, formerly under his command, have been actively fighting on various fronts. Gen. Chang, according to a *Kuo Min* report, arrived in Hunan from Fenghua, Chekiang, three months ago, and since then, "has devoted his time to a study of Chinese classics." His visit to Hankow, where it is presumed that he will confer with Gen. Chiang Kai-shek is regarded as politically significant, and may result in his active participation in political and military affairs.

Gen. Chang Hsueh-liang

NAZI PROTEST AND OURSELVES!

AN editorial published in *The Review* on Feb. 26 referring to Hitler's (and Mussolini's) recognition of Manchukuo and declarations in support of Japan, was the subject of a protest to the American

GERMANS ALSO OBJECTED

Der Mann, den man den Fuehrer nennt, hat die Anerkennung Mandschukuos angekuendigt, er hat die Eroberungspolitik Japans im Fernen Osten gutgeheissen und ihr die kulturelle Gefaehrlichkeit abgesprochen. Der Mann, den man den Fuehrer nennt, war im Besitz von Dokumenten, Augenzeugenaussagen u. a. Beweisen fuer die beispiellosen Greuel die von japanischen Militaer in Nanking begangen wurden. Er hatte Kenntnis von jeder Art politischer, wirtschaftlicher und militaerischen Skrupellosigkeit und Barbarei Japans im Fernen Osten, er wusste, dass die gesamte Kulturwelt sie verurteilt.

Dieser Mann den man den Fuehrer nennt, hat mit seinen Worten am 26. Februar neues Oel in den Brand des spanischen Krieges gegossen. Er hat mit Redewendungen, wie sie beleidigender von kaum einem Staatsmann des Auslands gebraucht werden, die internationale oeffentliche Meinung angegriffen, er hat damit nicht dem Frieden das Wort geredet. Er hat—was kein Staatsmann des Westens und Amerikas bisher gewagt hat—erklaert, dass internationale "Provokationen" bewaffneten Widerstand finden werden. Nirgends in der Welt ausser in Japan und Italien hat bisher ein verantwortlicher Staatsmann etwas anderes als den bewaffneten Angriff als die einzigen Rechtfertigung des bewaffneten Widerstands bezeichnet.

Wir Deutschen in China, denen diese Rede des Mannes, den man Fuehrer nennt, erneut gezeigt hat, dass die deutsche Auswaertspolitik nicht den Kurs haelt, der ihr als der Politik eines europaeischen Kulturstaats angemessen waere, werden zu dieser Rede nicht ja sagen. Wir werden nicht noch einmal um des Friedens willen schweigen, wir werden nicht unter uns kopfschuttelnd haltlosete Missbilligung, Angst und Beschaemung aeussern, wir werden laut und energisch nein sagen. Wir Deutschen in China fuehlen uns dafuer verantwortlich, dass die beschaemende Politik der nationalsozialistischen Klique fb. Berlin unter den Deutschen in der Welt den Widerhall findet, den sie verdient, weil sie unvernuenftig, gewissenlos, unfriedlich und ungerecht ist.

Wir werden nein sagen.

Wir werden zum erstenmal nein sagen. Niemand von uns spuehlt eine Berufung zum politischen Maertyrer in sich, niemand von uns wuerde sich ohne Not einmischen wollen.

Ist das System unangreifbar? Nein. Die letzte Erschuetterung durch militaerische Opposition hat den Beweis geliefert. Maertyrer des freien und des christlichen Gewissens beweisen es. Unter dem Jubel seiner Anhaenger hat Hitler der Kirche, den "Bibelpruechen" den Kampf angesagt, den gleichen Kampf, den er dem Voelkerbund, der freien Meinungsaeusserung der Weltpresse angesagt hat, den Kampf noldlicher, kleinmuetiger Verneinung, den Kampf der Angst und des irrationalen Geltungsbedurfnis, den Kampf barbarischen Selbstherrscherturns gegen Freiheit und Gerechtigkeit.

Wir machen uns mitschuldig an dieser Schande, mitschuldig an einem kommenden Krieg, wenn wir schweigen. Wir machen uns mitschuldig an der Opferung tapferer Gegner aus den Reihen der Arbeiterschaft, der Kirchen, der Intelligenz.

Wir machen uns mitschuldig an der Eroberung und Versklavung Chinas, an der neuen Weltwirtschaftskrise, die als ihr Gefolge haben wird, wir machen uns mitschuldig an jedem Unrecht, an jeder Unvernunft und Ungerechtigkeit, die im Namen des Mannes, den man den Fuehrer nennt, begangen wird.

Keine Opposition, sei sie noch so gehemmt und scheinbar wirkungslos, ist zwecklos. Das System ist nicht unangreifbar: es hat am 4. Februar seine Bruchstellen gezeigt.

Das Charisma einer fuenfjaehrigen Vergewaltigung muss sich loesen. Wir Deutschen in der Welt muessen zeigen, dass wir ihm nicht unterworfen sind, dass wir die Gefahr seiner verbrecherischen unfriedlichen habsuechtigen Gier erkennen und dass wir an dem neuen Weltkrieg den er entfesseln wird, nicht mitschuldig werden wollen.

Wir duerfen nicht laenger schweigen. Wir duerfen die gerechte Sache, die Sache der Vernunft, die heute in China und eines Tages anderorts auf der Erde zu unterliegen droht, nicht im Stich lassen. Wir schliessen uns zusammen und wir werden unser Wort in Deutschland laut werden lassen.

Der vorlaufige
deutsche Rat in China.

Circular in the German language expressing resentment by local Germans at Hitler's recognition of Manchukuo and declarations in support of Japan.

Consulate-General by M. Fischer, German Consul-General at Shanghai. According to Mr. Fischer, the statements regarding the Reichstuehrer were considered disrespectful as Hitler is the head of a state enjoying friendly relations with the United States.

When the article referring to Hitler's recognition of Manchukuo was written, *The Review* had in its possession but did not use, a violent attack on the Fuehrer which allegedly was made by German residents of Shanghai. The attack was printed on a circular in the German language and was widely circulated among Germans in Shanghai and allegedly mailed to Germany. A condensed reproduction of the circular appears herewith and a translation of the German text, in the possession of *The Review* contains expressions and allegations that make *The Review's* statements appear as mild as a Sunday school lesson.

Whether the circular constitutes a genuine expression of view on the part of the rank and file of the German community here, we are not in a position to say. We can state, however, that the circular was obtained from a member of a prominent German firm in Shanghai who stated that the organization which signed the circular, "Preliminary German Council in China," is a genuine organization of German citizens who are not in sympathy with Hitlerian policies in the Far East.

Hitler Wants Stronger Japan—Mussolini Demands Action Against Powers—Stalin Charges Fascist Intrigue

SEIGO Nakano, self-styled father of Japanese Fascism, returned to Tokyo last week from a six-months "goodwill" tour of Europe and since has been entertaining the Japanese people and newspaper writers, with reports of his interviews with Hitler and Mussolini. Mussolini, according to Nakano, "wonders why Japan pays so much attention to the desires of the Foreign Powers in the Orient and does not assume a more positive stand."

Both Germany and Italy are following a positive policy—Hitler and Mussolini are working hand in glove and both are heartily pleased to have the assistance of Japan—"chief stabilizing power" in the Orient, and both desire to strengthen their ties with Japan—Italy, Germany and Japan have a common objective in their anti-Comintern accord—and in the Orient Japan alone is capable of attaining the desired end.

"Hitler told me he hoped from the bottom of his heart that Japan would become more powerful than she is now and we shall do everything in our power to help Japan to strengthen herself.

"I told Hitler that within a few months after the commencement of the current hostilities, Japan had occupied in China an area the size of Europe.

"Nevertheless, I also told the Reichsfuehrer that 'pig-headed' China is still continuing to resist us. I told him further that Japan will control the occupied areas single-handed and that Japan is resolved to assist in the building-up of a bright-China, scorning those powers which cannot understand the realities of the situation in the Orient.

"In Germany, people in all walks of life are supporting Japan in her conflict with China.

"Japan need not worry about anything .... I regret the government is continuing its 'lukewarm policy'."

Turning again to his conversation with Mussolini, Nakano, according to *Domei's* version of his interview, stated that "as far as the Mediterranean is concerned Italy will not make any concessions to any Power and Il Duce told me that he hoped Japan would assume a similar positive stand in the Orient."

Nakano did not, of course, go to Moscow where a somewhat different type dictator is further consolidating his position by methods so sensational as to amaze the world. Of special interest in this part of the world was the allegation in the course of the "trial" that Dimitri Bogomolov, former Ambassador to China, was linked to Fascist intrigue against the U.S.S.R. There has been considerable speculation as to the wherebouts of Ambassador Bogomolov since his sudden return to Moscow by airplane several weeks ago, as reports from the Soviet Capital stated he had not been seen after his arrival there. Prior to his appointment here, Mr. Bogomolov had served in the Soviet Embassy in London. Mr. Bogomoloy's name was mentioned in the testimony of Christian Rakovsky, former President of the Ukraine, and Ambassador to Great Britain who "admitted" in the course of an amazing confession that he had served as a spy for both Great Britain and Japan.

Various attempted explanations of the purpose behind the trials have been offered. M. Leon Trotsky, from his exile in Mexico, declared that Stalin's purpose was to justify and cover up the execution in June 1937 of the eight Generals which shocked world opinion and practically disrupted the army. Alexander Kerensky, leader of the first revolution in Moscow, who is now on a speaking tour in the United States, claimed that the purpose of the trial was to liquidate the right opposition in the Communist Party. "Stalin, still a profound Leninist, believes that Europe is on the eve of a conflagration and that he ought to launch anew the order for world revolution." Kerensky also expressed the opinion that the trial might lead to liquidation of the Bolshevik Party, "which represented 20 years of a slavery more tyrannical than has ever existed in the history of the world."

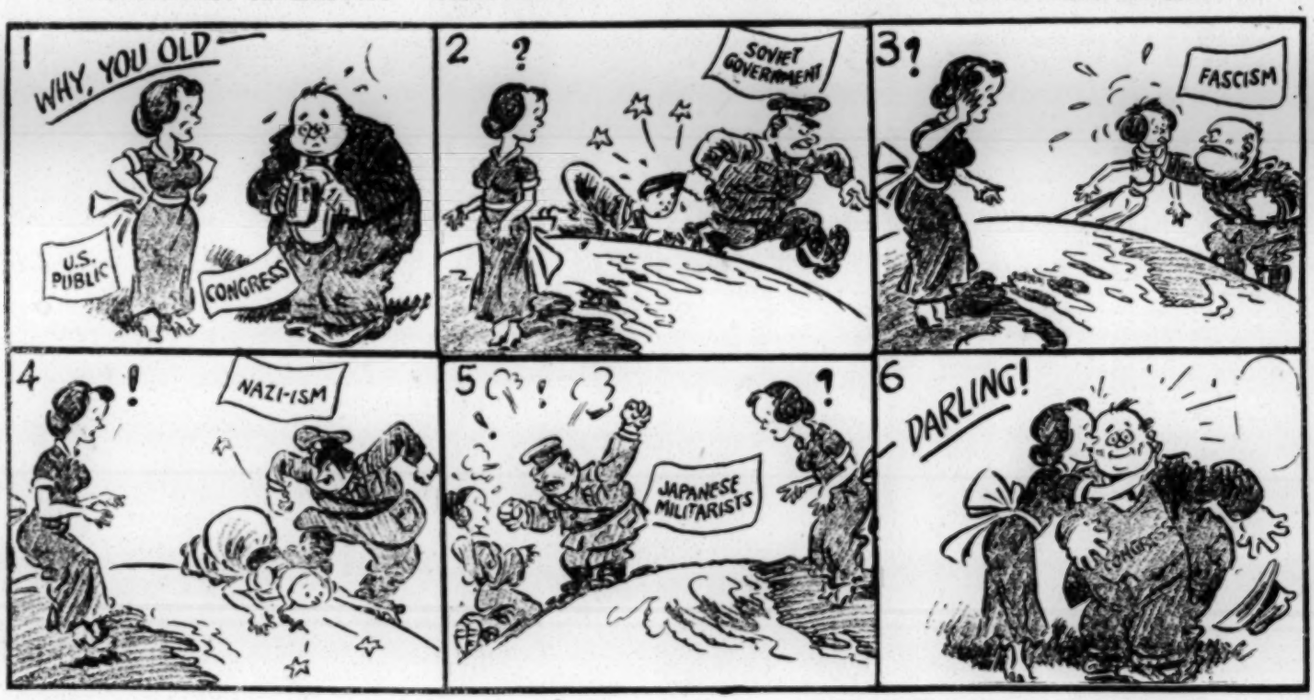
⁂

Thus do dictators, unrestrained by parliaments, press or public opinion, struggle for su-

premacy and extend their dangerous activities into the Orient. Other countries, popularly known as the Democracies, including United States, Britain and France, and a long list of smaller nations, —Belgium, Norway, Sweden, Denmark, Netherlands, and others, including the self governing dominions and colonial administrations such as Canada, Australia, New Zealand, British India and Philippine Commonwealth, striving to protect the interests of their citizens built up over long periods of years, are faced by the menace of the dictators who are openly encouraging the Japanese warlords "to take a stronger stand against the foreigners." Japanese warlords, still mentally dominated by feudalism, are struggling to establish a Fascist regime not only in their own country, but also over the Chinese people who have been struggling for independence, democracy and self-government since the overthrow of the Manchu regime more than a quarter of a century ago. Evidence of the dangerous drift of affairs is provided in Tokyo by assaults on parliamentary leaders—in approved Hitlerian style—plus attempts to destroy political parties which are trying to preserve the forms and some of the realities of democracy. Here in China we see the drift toward Fascist dictatorship exemplified in the attempts to suppresss or destroy newspapers, stifle free speech, destroy free education, censor the public mails, interference with free movements of private citizens interested only in looking after their own individual affairs.

John Gunther, whose remarkable book, "Inside Europe," has done much to acquaint the American people with perils of dictatorships and political gangsterism in Europe, made the statement that democracies which are unable to protect themselves do not deserve to live. Nowhere was this statement more applicable than in China at the present time where Japanese military gangsters, with the assistance of European dictators, are striving not only to enslave the Chinese people, that is, those who escape massacre, but at the same time are trying to destroy or ham-string the interests and activities of the citizens of democratic nations which are still trying to pursue a policy of balance and moderation in the field of human relationships, irrespective of race or religious creed.

AMERICAN SIDELIGHT—"DEMOCRACY NOT SO BAD—LOOK AT THE NEIGHBORS!"



Herblock in the American Observer, Washington

Chinese Brigands Murder Missionary in Yunnan

The Rev. W. H. Hudspeth, secretary of the British and Foreign Bible Society in Shanghai, March 8 received a telegram from the English Methodist Mission at Chaotung, Yunnan, stating that the mission station at Stone Gateway, 20 miles from Chaotung, has been looted by Chinese brigands, and the Rev. R. Heber Goldsworthy murdered. The Rev. and Mrs. Edward H. Moody, other members of the Mission, escaped unhurt.

The Rev. Mr. Goldsworthy, who was between 40 and 45 years of age, came to China in 1921 to join the Methodist Mission, and in 1936, with Mr. Moody, took over from Mr. Hudspeth work among the Miao tribes when the latter came to Shanghai to take up his present work. The deceased, who was born in Bristol, leaves a wife and two children who have been resident in England about two years.

The English Methodist Mission has been working in Yunnan province for 50 years, and this is the first time they have lost one of their workers by violence.

Missionaries Take Food Supplies to Hangchow

Two American missionaries, Dr. Fred P. Manget and Mr. Robert T. Henry, left Shanghai on March 8 for Hangchow with a car-load of supplies for the foreign community of the lakeside city.

A part of the supplies will later be taken by Miss Ave Morton, a missionary-nurse, and Chinese medical staff, to Huchow on Lake Tai, where they are to reopen a mission hospital.

A freight car was put at the disposal of the two men following negotiations between the Japanese and American authorities here. Forty foreigners still remaining in Hangchow were said to be in great need of foreign foodstuffs and other supplies.

Four Large Japanese Units Sent Home—Extensive New Barracks Built at Civic Center

Four large contingents of Japanese troops, referred to as the Tamura, Suzuki, Kikuchi and Matsuda Units, have been sent home to Japan, according to reports appearing in the *Osaka Mainichi* for Feb. 24, 25 and 26. The units, described as consisting of the first corps of the expeditionary forces on the Central China front, arrived at "an undisclosed home port on an undisclosed day," presumably Kobe. The streets of the city were decorated with green arches and flags while prominently displayed among the decorations were the German and Italian flags. Among the welcoming groups were large crowds of school children and members of the Women's National Defense and Patriotic Association.

The same issues of the Osaka paper told of the arrival in Japan of Gen. Iwane Matsui, chief commander of the Japanese troops in central China; Lt. General Heisuke Yanagawa, who commanded the contingents which landed on the shores of Hangchow Bay on Nov. 5 and thereby forced the evacuation of the Chinese troops from Shanghai. According to the account these troops advanced inland along the canals and waterways, crossed Lake Taihu and participated in the occupation of Nanking and Wuhu. Greatest interest, however, was centered on the return of Lieut.-General Prince Asaka, who was referred to as the commander of the Japanese forces in the operations in the Shanghai-Nanking area.

Prince Asaka's movements on the China front were described as follows: After his arrival, he proceeded to Wusih by motor car, following which he went to the headquarters at Kuyung where he inspected, from a hill, the military operations about Purple Mountain. While there many Chinese shells fell nearby. The Prince then went to Tangshuchen where he inspected "mopping-up" operations. After entering Nanking, Prince Asaka inspected the various Chinese positions, Purple Mountain, the Chungshan Mausoleum and other places of interest.

Gen. Matsui, in the course of an interview, declared that he did not believe the stage had been reached where a new regime capable of maintaining lasting peace in the Far East could be created. While discretion was needed "owing to the delicate situation at home and abroad," he thought it would be well to press on instead of being contented with small achievements.

Extensive New Barracks Built at Civic Center

Of interest in connection with the dispatch of new Japanese contingents to Shanghai was the report this week that the Japanese military authorities have practically completed new barracks at the Chinese Civic Center. The barracks, which occupy between fifteen and sixteen acres of space, are located on the section of high ground near the former Mayor's office and administration building at the Civic Center. The barracks were constructed in up-to-date manner of new lumber transported by trucks propelled by Chinese laborers. It also was reported that many of the buildings at the Civic Center, which were damaged by Japanese artillery bombardment, are now being repaired, presumably as quarters for officers and offices of military administration.

Japan Wants General Chiang's Head

General Chiang Kai-shek will be decapitated by the Japanese Army if captured, Mr. Koki Hirota, Japanese Foreign Minister, told the Diet in Tokyo, March 5, according to a *United Press* report. He said the Chinese leader would lose his head if his whereabouts became known to Japanese forces and they were able to capture him.

Mr. Hirota told the Diet that he was not able to predict the probable duration of hostilities in China. He said he could not imagine any foreign power intervening on behalf of General Chiang Kai-shek's Government.

SHIPMENT OF ASHES OF JAPANESE SOLDIERS KILLED IN CHINA

These pictures, reproduced from the English Edition of the leading Japanese newspaper *Osaka Mainichi*, for Feb. 24, give an idea of the extent of losses suffered by the Japanese Army in the war.

The miniture coffins, each containing the ashes of an officer or enlisted man, represented a shipment from the China front which arrived at Kobe on Feb. 21. The picture was taken in the hall or special room which has been set aside in the railway station for this purpose and where ceremonies are held.

The two pictures at the top show the solemn ceremonies which are held in Kobe when the shipments of bodies arrive. Each box of ashes is carried by a soldier in a support made of white cloth suspended about the soldier's neck.

No information was given about the particular battle in which these men were killed, but it is presumed they were killed in the fighting in northern Honan or in Shansi. A later report in the *Mainichi* from Changteh (Feb. 26) stated that a Captain Kazuo Yamane "and several others were killed or wounded in an attack on an important Chinese outpost."

The Trying Life on the "Isolated Island"

BY T. S. YOUNG

IN times of peace, we generally do not set much value on the many amenities enjoyed by us in this modern world. They seem to have been so interwoven with our life, that we have come to accept them as something part and parcel of our existence. We gained the impression that so long as we had money, we could command almost everything and make our life both rich and interesting. We insist that our houses must be equipped with modern conveniences, that our rooms must be lighted and heated with electricity, and that our means of transportation and communication must be speedy and regular. We read the news of the world in the newspapers, talk to our friends in a different city or even in a different country over the telephone, and listen to the songs sung by artists thousands of miles away through the radio. By virtue of modern inventions and appliances, distance has been shortened, oceans have been bridged over, and the barriers in the form of mountains and deserts have been totally broken down.

Living in the midst of these amenities, we scarely give thought to the many problems vital to our existence, such as food supply and transportation and communication facilities. We tade it for granted that with the possession of money we can procure anything and everything from the market, and keep our storerooms replenished from time to time. It is unthinkable that we should at any time come to the shortage of our foodstuffs, when trainloads and shiploads of foodstuffs are daily brought to Shanghai to feed its millions. We can order a 30-course dinner at the moment's notice, and eat choice delicacies at our dinner table. Nor had it ever come to our notice that we should be completely isolated from inland cities, when good transportation and communication facilities are always at our disposal. We could go to Nanking by the Capital Express in in less than five hours, and telegraph to our friends in any distant city and receive their answers within several hours.

But the war has drastically changed our life in Shanghai, and its consevuences have caught us totally unprepared. Since the withdrawal of Chinese forces from Shanghai, we have been completely set apart from any place outside of the perimeters of foreign Settlement and Concession, and live the life of a stranded person on an isolated island. At one time, we were seriously menaced with an acute shortage of foodstuffs, rice shops were closed down, and vegetable and meat markets were deserted. Probably never before have Shanghailanders undergone so trying an experience, when they have been compelled to form long queues before rice shops waiting for the purchase of a small, regulated quantity of rice. We have really come to such a pass that the money we possess would not avail us to procure our necessities and to save us from starvation. If foreign ships had not kept running at that time, many of us whose lives have been spared from the big gun and air bombings would have met their death of starvation. Even at this time, when the chaotic conditions have somewhat settled down, the prices of meat and vegetables are still far above the normal level, and the problem of food supply remains to be a source of worry to many of our people.

Intellectually, we have also suffered starvation, the end of which is not yet in sight. All the spirited and lively publications have either disappeared, or have become so insipid and changed that they have lost their old souls. Although the newspapers are still many and varied, with a very few exceptions they are so guarded in their tone, that they become no longer readable. A few of them have become nothing but advertising mediums. A reputable Chinese daily, for instance, puts out four big sheets every morning, but all their space is nearly covered with different sorts of advertisements from the announcements of marriages and funerals to the notices of seeking a mate. Many of us begin to acquire the habit of reading these vari-colored advertisements, for they prove much more interesting than the meager information and news supplied by the newspaper men. Probably, at no other time can an advertiser get back the value of his money spent in the advertisement as at present.

What causes us great uneasiness is the complete disruption of transportation and communication facilities. The Shanghai Nanking and Shanghai-Hangchow-Ningpo Railways have ceased operations, and communications with the vast areas occupied by Japanese forces have been completely severed through the wholesale withdrawal of mail and telegraphic services. We are not even permitted to visit Nantao and Chapei without a pass, not to say those cities along the Railways. We have lost our freedom of movement, and must be content to live in the foreign controlled areas as a bird in the cage, We may have our homes in Soochow or Hangchow, and we may have our family members there; but we can find no way to learn the condition of our homes and get in touch with our family members. This state of suspense is all the more painful to us, when we have been frequently told of the atrocities perpetrated by unruly soldiers in the occupied areas. Now even though we have money, we can not procure the services of transportation and communication. Our isolation, therefore, is complete and absolute,—a condition which no Shanghailander ever dreamed of before.

The life in this "isolated island" is indeed a trying one. It is said to be difficult to keep down our sentiments, but it is far more difficult to change the accustomed way of life in conformity with the present changed conditions. If our sentiments are high, we can yet pretend not to see what we have actually seen with our eyes, and not to hear what we have actually heard with our ears. In a word, we can pretend to be blind and deaf.

Japanese Invasion of South China Again Feared

Renewed fears of an early Japanese invasion of South China were aroused in Canton March 8 by Chinese reports that Japanese warships were concentrating off the Fukien coast.

Military activity and defence preparations have been intensified in various parts of Kwangtung as a result of the reports which, strangely enough, have failed to create any excitement among the populace.

Canton is enjoying a period of absolute quiet. With the exception of a visit by Japanese planes to Bocca Tigris on Sunday, air-raid scares have been conspicuously absent.

New Aviation Base Established off South China Coast

Japanese are establishing a large aviation base on the small island of Sancho, 35 miles southwest of Hongkong, *Transocean* reported March 4.

The inhabitants of the island, mostly Japanese, were notified a short time ago by the Japanese military authorities that the orders of the marine commander were to be obeyed, it is declared here.

This island is at the present time occupied by about 1,000 Japanese marines and its coast is guarded by 10 Japanese warships and one airplane carrier.

Torch Parade in Waichow, Southern Kwangtung

More than 3,000 members of the People's Self-Defence Corps of Waichow participated in a torch parade March 1. The parade was held to demonstrate the people's determination to defend the province in the event of a foreign invasion of Kwangtung.

Comforts for Defenders of Bocca Tigris Forts

A delegation of the Kwangtung Branch of the Association for the Promotion of the New Life Movement brought a quantity of

A delegation of the Kwangtung Branch of the Association for gifts to the gallant defenders of the Bocca Tigris Forts Feb. 28l The delegaiton praised the latter for thier courage in repulsing severa. fierce attacks by Japanese gunboats in recent weeks.

British Steamer Stopped by Japanese Gunboat

It is learnt that the British steamer *Chuanchow*, while proceeding from Amoy to Hongkong on Monday was stopped by a Japanese gunboat near Hongkong, and detained for more than 20 minutes. A report on this incident has been submitted by the Captain of the steamer to the local British authorities, *Kuo Min* reports from Hongkong.

Overseas Chinese Volunteers Arrive

Nineteen overseas Chinese volunteers from Siam arrive in Hongkong March 1 en route to Canton to enroll in the campaig n of resistance.

Japan-Siam Treaty Becomes Effective

With the exchange of ratifications in Bangkok, the new Japan-Siam treaty of commerce and navigation went into effect March 7.

Simultaneously, Foreign Minister Koki Hirota and Luano Pradi Manudham, Foreign Minister of Siam, exchanged messages of goodwill. The Siamese message also thanked Mr. Hirota for the "sympathy and understanding" displayed by him in the course of the negotiations. The document was signed on Dec. 8 last in Bangkok by Mr. Kuramatsu Murai, Minister to Siam, and Luano Pradit Manudham.

Officials of the Mitsui Bussan Kaisha March 7 revealed plans for the organization of an Oriental Commerce and Industry Company, capitalized at Yen 1,000,000, for the express purpose of engaging in trade and industry in Siam. The required approval was granted simultaneously by the Bank of Japan.

Japan Opens Consulate at Nanking

Closed since August 16 last, the Japanese Consulate-General in Nanking was formally reopened March 7 with the arrival of Consul-General Yoshiyuki Hanawa on the previous day.

The Consulate-General was closed four days after the commencement of hostilities in the Shanghai area, with Mr. Shinrokuro Hidaka departing for safety by way of Tsinan and Tsingtao. It was reopened for busine-s a few days after the fall of the city on Dec. 12.

China's Trade Picks Up After Slump During Early Port of Hosilities

The figures of China's trade for the month of January show an interesting trend, particularly with regard to the category of imports of "Miscellaneous sundries" and with regard to the participation of Italy and France in the trade with China.

According to *Finance and Commerce* for March 2:

"The total value of China's foreign trade in January declined by 5.2% compared with the previous month, this decline being due to a gain of 12.3% in imports and a falling off of 21.9% in exports. The record for each month since the commercement of hostilities has been: August $100.6 millions; September, $101.2 millions; October, $85.0 millions; November, $94.9 millions; December, $107.8 millions; January, 1938, $102.1 millions.

"With the exception of December, January's total is larger than that of any month since mid-summer, but, unfortunately, the position from a general merchant's point of view is not as encouraging as even these figures might suggest. There was a decline in practically all classes of export goods, while the increase of $6.4 millions in imports was due solely to greater purchases of "miscellaneous sundries," or, in other words, requirements for the military forces. In December imports of miscellaneous sundries amounted to $8.5 millions, the principal suppliers being Great Britain, Germany, Switzerland and the United States of America. In January, 1937, imports under this particular heading totalled $2.2 millions but in January last they jumped to a total of $18.5 millions, the main contributions being $9.5 millions from France, $4.9 millions from Italy; $1.9 millions from U.S.A.; $1.1 millions from Germany and $361,000 from Great Britain.

"An increase of $6.4 millions in total imports, when there was an increase of $9.8 millions in these 'miscellaneous sundries' alone, does not suggest any improvement in routine merchandise trade.

"This tremendous falling off in trade volume, without any sign of a change for the better in the near future, provides a gloomy outlook for the current year. At the same time, an analysis of the trade figures will show that practically the whole of the decline has centred around Shanghai. Eliminating this Port, the total trade of the remainder of the country, in January last, imports and exports included, was to all intents and purposes the same as in January, 1937. At any rate, the decline was $104,029 only or 0.1%, this decrease being due to a drop of $10.3 millions in exports, offset by a gain of $10.2 in imports. Too much importance, perhaps, should not be attached to this apperaance of stability, particularly in view of the stimulus given to imports by the war's requirements. Certainly it would have been far better for China's financial prospects if the gain had been in exports and the loss in imports, but after making all due allowance in these respects, it must still be regarded as a great tribute to China's 'staying power' that, after five months of devastating war covering a very wide area, her trade, apart from Shanghai, does not show more retrogression than it has done.

United States Jumps to First Place in Trade With China

"In January, 1937, Japan was the larges importer into this country, with the United States a close second. In January this year, Japan comes eighth in the list of competing countries. The U.S.A. takes first place; France occupies the second position and Italy the fourth. In the case of France and Italy, however, this sudden prominence is easily explained. Out of the total of $10.0 millions of imports from France, no less than $9.5 millions represented the miscellaneous sundries to which reference has already been made, and practically all the imports from Italy were under the same heading. Detailed figures are:

Imports from	*Jan.* 1937	*Jan.* 1938
Japan	$15,238,494	$ 2,440,585 (8)
U.S.A.	13,593,068	11,569,560 (1)
Netherlands India	9,823,356	3,820,040 (7)
Germany	9,551,413	8,077,818 (3)
Great Britain	9,513,783	4,200,367 (6)
Italy	862,602	5,340,067 (4)
France	810,871	10,031,170 (2)
French Indo-China	772,746	5,182,752 (5)
	$60,166,333	$50,662,359
Total Imports	$77,211,451	$59,375,107
Exports to	*Jan.* 1937	*Jan.* 1938
U.S.A.	$25,310,330	$ 4,032,383
Japan	12,254,496	3,874,833
Hongkong	12,252,442	17,817,807
Great Britain	6,268,808	3,460,373
Germany	4,086,543	3,509,873
	$60,172,619	$32,695,269
Total Exports	$82,220,449	$43,147,482

Italian Priests Injured When Japanese Raid Chengchow

Several members of the Italian Mission on the outskirts of Chengchow were wounded during a raid by Japanese planes March 8. This was learned from a brief message received by the Italian Embassy in Hankow from the Italian Bishop at Chengchow. Unconfirmed reports state that two of the Italian priests were killed.

Both Chinese and Japanese aircraft were active despite blinding snow-storms, Chinese planes raiding the Japanese artillery positions in southern Shansi, and Japanese machines bombing Sian in addition to Chengchow.

Chengchow was raided twice by a tota lof 17 planes. The first raid occurred in the morning with nine Japanese planes participating. The second appearance of the raiders was made in the afternoon, when eight machines bombed the city.

When the Japanese planes visited Sian, Chinese defenders took to the air and engaged the invaders, who arde stated to have disappeared in two groups.

One of these groups, it is stated, encountered the Chinese planes returning to their base after bombing southern Shansi. In the ensuing aerial combat, according to a Chinese report, three Japanese planes were shot down.

Japanese Said to Have Crossed Yellow River

A delayed message received in Hankow March 9 from Chengchow states that a detachment of 900 Japanese troops with 20 tank succeeded in crossing the Yellow River, under cover of a heavy artillery barrage, on March 5.

The crossing was effected at Szechui, to the northwest of Chengchow and between Chengchow and Kunghsien.

The Chinese forces defending the south bank of the Yellow River blew up the dykes and flooded the area where the Japanese troops had landed.

The Chinese claim that this maneuver succeeded in drowning the majority of the Japanese troops and rendering the tanks useless.

It is not yet certain whether the aJpanese still have a foothold south of the river. The news so far received here merely states that at the time the message was sent off from Chengchow the remnants of the Japanese who had not been drowned were being surrounded in the hills nearby.

March Snowfall Causes 30 Deaths in Shanghai

While the number of deaths in refugee camps of Shanghai rose considerably on March 9 as a result of the continued cold snap, only three cases in which persons were suffering from exposure were picked up from the streets by ambulances of the emergency ambulance service of the Shanghai Fire Brigade. In two cases, the victims died while one is still alive but in a badly under-nourished condition.

Although no exact figures were to be had immediately on the increase of deaths among the refugees for the day officials stated that the total is at least 30. It may be more when the Shanghai Benevolent Society has made its final count.

Despite the cold and the wet snow, hundreds of homeless people were still sleeping in the streets and alleyways. Along Szechuen Road near Avenue Edward VII, a *China Press* reporter saw several dozen homeless war victims huddled under wet blankets in doorways and alleys. The picture was a tragic one and if the present weather continues, the death list among these unfortunates will probably mount.

hhile the sudden change in the weather has already worked a severe hardship of the refugees in the city, it may have repercussions for some time to come, according to local Chinese weather prophets who believe that the snowfall will mean had luck for native farmers in this area.

Their theory is that when snow falls at this time of year, it signifies that the rice will not take root properly, and if the rice crop is poor, it will work a hardship on the entire area.

British Policy Towards China Unchanged

There had been no change in he British Government's friendly policy towards China, declared Mr. R. A. Butler, Under-Secretary of States for Foreign Affairs, in reply to a question by Mr. R. H. Morgan, Conservative member for the Stourbridge division of Worcestershire, in the House of Commons March 8.

The recent resolution of the League Council, in favour of according all available help by League members to cChin, Mr. Butler added, was being considered, but he was not at present in a position to make a statement.

In reply to Cmdr. Arthur Marsden, Conservative member for the Chertsey division of Surrey, the Under-Secretary informed the House that the British Consul at Chefoo had reported that the Chinese Telegraph office there, under instructions from the Peiping "Provisional Government," was refusing to accept code telegrams.

A protest, he said, had been lodged, and arrangements had been made for British commercial messages to be passed temporarily through other channels.

China Organizes Her Man-Power to Prolong Resistance

BY HIN WONG

WHILE organizing the economic resources and improving the communication channels of the Nation for the prolonged resistance against the enemy, the Chinese on the rear are not neglecting their man-power, and the aged as well as the young are being called upon to do his or her part.

The pronoun, her, should be especially emphasized when writing from west China. Only very recently when a village school teacher not far from Pahsien, Szechuen, ordered that all boys should be prepared to go into war service training but girls may also join, he was immediately corrected by the future mistress of the Republic who at once demanded that his written notice should read all pupils, of course including the feminine element, "shall" go into training.

Several days ago some 60-year aged gentlemen in Kunming, Yunnan, wanted to know from the government agents why their names were also listed on active roll for war service, thinking they might be exempt from duty. They were told to push from behind the youth to be needed on the front, to encourage and make it easy for the younger generation to make the country safe for the homes.

Filial piety and ancestral worship being fundamental Chinese virtue, they would be utilized for all patriotic movement; and national regeneration through self-strength, while employing modern methods, will be based on Chinese love for home and honor. The *Po-Chia* system, a Chinese ancient institution to organize tens and hundreds for mutual protection and assistance in family and village organiztaions, is being universally revived in many parts of China and now serves well as a means for conscription and the selection of able-body men for duty.

In the organization and preparation of citizens for public service, strict attention is being paid to economy and efficiency, including individual fitness, united action, and useful service, knowledge which would help one's own self as well as the public.

Long before the present self-defense war, Chinese young men and women of education have been given trainings which are now being well taken advantage of, and the expenses attached to this program, very insignificant. According to the school regulations of China, all first and second year students of senior middle schools and colleges shall have been given either a military, when being men, or a nursing course of training, when being women. Reserve Officers Training Corps and War Nurse Training Schools are thus held without much extra expense. School girls of Shanghai have contributed no little service to the recent "Eastern Front" field hospitals, simply because of the ability they possess; and many of the officers in the volunteer companies now undertaking guerrilla warfare in Hopei, Shantung, and Shansi are former cadets in the several universities or higher institutions of learning in Peiping, Tientsin, or Tsinan. These men could be of greater service as some of them are now already serving in the regular army. The cadets have not only been given regular drills on the campus but also put through training camps during summer recess each year until the two periods of intensive work are completed as required by law. Since 1931, no middle school diploma or college degree has been issued to any young man physically fit who has not taken a course in military training and tactics instructed by an army officer specially detailed by the Ministry of War.

In the last few years as today, all girl students had to include nursing, elementary course, in their schedule of study for the freshman year, at least.

Until very recently it was the opinion of one who had been some ten years scout commissioner in Canton that the Chinese boy scouts should not have been accorded too much organized training but more attention to the individual instruction in preparation for examination for merit badges and that the movement should be free from political party administration. Since the beginning of the war, however, his opinion should be greatly modified; and after all, the ability of the Kuomintang Youth Department to directly command the service of the boys through the national headquarters of the movement today should have removed some of the fear entertained in connection with political interference with an organization strictly moral and educational. For the past several years, boy scout training methods and formation have been recommended for higher primary pupils and made compulsory in the junior middle schools throughout China.

Had not the governments, both local and central, have come to the aid of the movement in Szechuen, Yunnan, and Kweichow, the fine work the boys and girls are now doing would not have been so extensive, largely in the form of gathering information and materials within short period of time and the distribution of popular literature to a wide area with almost 100% thoroughness. To rush a new Chinese flag to a lonely battalion whose color has been shot down by the enemy may be only an act sentimental to the girl scout having done it, but this little incident has carried with it a spirit and courage requiring no little time to develop and nourish.

In some of the outlying districts of China the boys and girls would have very little attention unless the government leaders from the better governed territory will lend a helping hand; and in Szechuen, for instance, the rich appear to be too rich to notice the infant beggars along the roads, while the poor seem to be going poorer not necessarily because of their own inability or incompetence.

It will take some time for the western provinces to train their able-body men to the efficiency as attained by those in Kwangtung and Kwangsi, but the authorities in Szechuen, Yunnan, and Kweichow are doing what they could and within a short time, probably a year, more than eight million in Szechuen and Sikang alone will be able to bear arms whenever called upon to do so.

Some 26 aborigine chiefs from as many Lolo tribes in the Sungpan district along the Szechuen-Kansu-Sinkiang border lines are also clamoring to be sent to the front with their warriors numbering many thousand strong. In order that their service may be eventually acceptable, they would be trained under the advice of the civil magistrate of the *hsien* concerned in cavalry and guerrilla movement, a service most adaptable to their life and previous evnironment on their grazing territory, according to the national policy of fitting the right man for the right place.

Circumstances are forcing many these days to organize for public service and eventually it will do the citizens and the community concerned good. Along all the towns and villages on the upper Yangtze, fire-drills against air-raids are being held periodically; and this preparation and organization against enemy attack will also influence co-operation in other civic activities, like the agitation for better and stronger-built houses to avoid too easily collapses.

The volunteer fire-brigades have also become an influential social service movement and in the drills and meetings of the several units of a city, the members have developed personal friendship and public spirit at the same time. Several weeks ago in a city up the Yangtze River a volunteer was killed while on duty and his funeral service was attended by the companies from all wards; and on the widow departing from the cemetery for her home, all the rank and file lining the road, including the chief, gave her a salute, an honor due to the spirit for public service.

One of the most thoughtful, although not so thorough and effective as it should be, are the short-course lectures and school of soldier given to all *chiachangs*, heads of ten-family groups in some large cities in south-west China. These petty officers of communities, while honorary in a way, are often called upon to furnish information about their locality and, in time of enlistment for the army or the labor corps, asked to supply the quota of men, in addition to the traditional function of crime prevention and the apprehension of bad characters living in their neighborhood.

In Kwangtung and Kwangsi provinces, these *Po-Chia*, or hundred-ten group organizations have been trained into well-trained local militia capable of bearing arms for the defense of the Nation, if and whenever called upon.

While men are being thus organized everywhere in China for national service, women in many places are not neglected and in Chungking and other south-western cities, half-day schools have become popular for the adults. Nurseries are sometimes attached to these schools to enable mothers to have a rudiment of education and often young ladies from the well-to-do homes, including college graduates on times, have found the care of otherwise neglected children as a means of social service and contribution to general public welfare.

The International Red Cross Society now has branches in a number of cities in China and from it instructors are often designated to offer courses in first-aid and wartime nursing. Many young women have taken advantage of this to increase their knowledge in home nursing, while in Chungking, all public school women teachers had to undergo such a training so as to better assist their students in school sanitation and personal hygiene.

Every person now-a-days in China is being urged to take some part in the present self-defense war. First of all, one is subject to call for service on the front or to be trained for reinforcement. From the rich, a greater contribution is expected, especially from the very rich who have thus far contributed the least. In the meantime, every effort should be made by those still remaining behind to do something to comfort the men on the front and relieve the economic sufferings of their relatives at home. Able-body men still not asked to enter active duty may assist in the burying of the dead or the construction of defense works, unless having already been ordered out to undertake local patrol duty. It cannot be denied that there has existed and will continue to have among the community members disaffected and disappointed, and effort must be made to discourage possible espionage within the country. To do this, organized publicity is most desirable and the better-informed should do their part to help their fellow-countrymen understand the situation well. Propaganda these days should include an agitation for increased production, particularly food-stuff, and co-operation in the maintenance of public peace and order through careful guarding against unnecessary soaring of general prices and the shortage of daily supplies and lack of employment.

For all these services and activities, a program is needed and except through efficient organization and proper direction, the maximum good and greatest success will not come. The leaders

in China do realize this well and while trying to win the war, as China must win, they are losing no time under present circumstances to insist that the people must regain their own territory and retain their honor by their own power and strength.

Chungking, February 17, 1938.

Szechuan Military Leaders Pledge Loyalty to Government

In a joint telegram to General Chiang Kai-shek, President of the Military Affairs Commission, the various Szechuan leaders reiterate their loyalty to the Central Government, *Kuo Min* reported from Chengtu March 7. The telegram bears the signatures of Mr. Teng Han-hsiang, Acting Chairman of the Szechwan Provincial Government, General Wang Tsan-hsu, Commander of the 44th Army, General Pan Wen-hua, Commander of the 23rd Army, and General Wang Ling-chi, Director of the Szechwan Peace Preservation Bureau.

The message expresses satisfaction with the appointment o General Teng Hsi-hou, Commander of the 45th Army, as Pacifi

Gen. Lasnet, surgeon, formerly connected with the French Army, arrives in Kwangsi province for the purpose of making an investigation on behalf of the Anti-plague division of the League of Nations medical corps stationed in China. Gen. Lasnet is in the center in civilian clothes. The others are Kwangsi officials.

cation Commissioner for Szechwan and Hsikang, and adds that the Szechwan troops are ready to continue active participation in the campaign of resistance under the direction of the Central authorities.

Chapei Defender to Be Given New Post

It is learnt in Hankow that General Sun Yuan-liang—who participated in the Shanghai hostilities as the gallant defender of Chapei and Commander of the 88th Division—will be appointed Deputy Pacification Commissioner for Szechwan and Hsikang by the Central authorities.

"China Times" Will Resume Publication in Szechwan Prov.

The *China Times*, one of the leading Chinese newspapers in Shanghai with a history of 30 years, will resume publication in Chungking shortly. The paper was forced to suspend publication in November last year "on account of special circumstances in Shanghai." The paper will continue to be under the direction of Mr. Tsui Wei-wu, General Manager, with Messrs. Huang Tien-peng and Nieh Shih-chi as Editors.

Japanese to Be Held Responsible for Possible Loss of Foreign Life and Property

The Powers will continue to held Japan responsible for any loss of life or property at Chengchow or elsewhere in China as a result of Japanese bombings, it was revealed following inquiries at the various Embassies in Hankow in connection with the Japanese warning to all foreigners to evacuate Chengchow before March 1.

The Embassies state that they are urging their nationals to evacuate the danger zones, but, should any of them remain and should their lives or property be endangered by Japanese bombings, Japan will be held responsible. This attitude is stated to have been clearly defined in the replies of the Embassies at Tokyo to the recent Japanese warning that foreigners should evacuate the area north of the Yangtse River.

The Chinese authorities, it has been announced, have decided to evacuate all military establishments located in the immediate proximity of foreign-owned property in Chengchow, Kaifeng and other centres in Honan. This action follows the Japanese warning stating that the Chinese would be held responsible for any losses to foreign life and property resulting from attacks on such establishments.

Chinese National Christian Federation Inaugurated

A Chinese National Christian Federation was formally inaugurated in Hankow March 6.

The inaugural ceremony was tatended by a number ot Christian leaders and officials, including Dr. H. H. Kung, President of the Executive Yuan; General Feng Yu-hsiang, Vice-President of the Military Affairs Commission; Mr. Shao Li-tzu, Director of the Central Party Publicity Department; and Dr. Wang Chung-hui, Minister of Foreign Affairs; as well as over a thousand Christians.

In a brief address, General Feng Yu-hsiang said that during the present national emergency, the Christians of this country should actively support and assist the Government in its task of national salvation and regeneration.

Mr. Shao Li-tzu said that the relations between the Kuomintang and the Christian religion have always been very close. The late Party Leader, Dr. Sun Yat-sen, for instance, was a devout Christian. Many other Chinese Christians have also closely cooperated with the Kuomintang in the past in the promotion of the national welfare. The establishment of the Chinese National Christian Federation, he added, is bound to further such cooperation.

Downtown College Celebrates Birthday

The Downtown School of Commerce of the University of Shanghai celebrated its sixth birthday on March 3. Exercises were held in the Union Church Hall with full attendance of students and friends.

President Liu reviewed the history of the University and the Downtown School. He paid high tribute to the founders and the supporters of the Institution.

The Downtown School was established in 1932 by the University of Shanghai in response to the popular demand of the community. There are over 400 students enrolled this term. The classes are in session to suit the convenience of students; and they are held chiefly after office hours, in the late afternoon and evening. The leading banks and firms in the community have supported the Institution generously. In spite of the emergency the Administration of the School is carrying on its full program.

Japan Believed Building Pocket Battleships

The statement made March 4 by a Japanese naval official in Tokyo to a *Havas* correspondent that Japan was not building super-battleships but was constructing warships of a special and secret type, is seen in naval circles in Washington as a confirmation of the reports that Japan is building 14,000 ton pocket cruisers modeled on the lines of the German cruisers of this type such as the "Deutschland."

These circles consider the Japanese declaration as a Nipponese attempt to intimidate the United States who contemplate the enforcement of the Escalator Clause of the 1936 London Naval Treaty, which provides that signatories of the treaty may exceed the 35,000-ton limit. or other provisions of the past, if any other power should exceed its limitations, or in case a signatory is threatened by war.

The Japanese secret construction is included in a category which is not authorized by the London Naval Treaty, and the United States will claim the right to build battleships and cruisers more powerful than the ones they own at present.

Japan May Get Planes From Italy Under Barter Accord

Negotiations for the conclusion of a tripartite Japan-Manchukuo-Italy barter agreement, whereby Japan will acquire Italian airplanes in exchange for Manchurian soya beans, are in progress in Rome, the Yomiuri reported March 7.

One outcome of the new agreement, the daily said, would be an increase in the Japanese purchase of Italian machinery and in the Italian purchases of Manchukuo staples. The negotiations, according to the journal, were started as a sequel to the conclusion of an anti-Comintern Pact and the recognition of the new Empire by Rome.

U.S. Naval Expansion Bill Endorsed by Congressmen

The House Naval Affairs Committee returned a favourable report March 3 on the $1,000,000,000 Vinson Naval Expansion Bill which would increase the strength of the United States Navy by twenty per cent. and provide huge appropriations for experimental work in aviation.

The Committee earlier gave overwhelming endorsement to President Roosevelt's defence policy and urged the granting of complete freedom of action to the Navy at the discretion of the President.

The Committee also rejected an amendment to the Vinson navy bill which would have required the immediate withdrawal of all naval vessels from China, specifically limiting operations of the United States Navy to the area east of a theoretical defence line in the centre of the Pacific. Similar limitations would have been imposed on fleet activities in the Atlantic.

Japanese Troops Push Towards Yellow River

Thousands of Chinese troops this week were rushing to the right bank of the Yellow River, which separates Shensi and Shansi to face an expected Japanese attempt to cross the River into Shensi or Honan.

The relentless drive of the Japanese forces continued, *Domei* stating this week that the Nipponese troops were in virtual control of all of Shansi. However, the Japanese troops in Shansi were actually divided into about five columns, the northernmost one being just south of the Shansi-Suiyuan border, about thirty miles from the Yellow River, driving towards the west. The southernmost column was driving south towards Maotsingtu, a small town on the north bank of the river across from Honan.

"Japanese gains north of the Yellow River in the past week have virtually completed the creation of a Japanese empire in North China with military reports indicating that Japanese columns are hammering at the last Chinese strongholds in Shansi and Honan," reported Jack Beldon, United Press Staff Correspondent in Hankow.

"Chinese strategy in the southeastern Shansi campaign has now been resolved into two possibilities. Chinese troops are concentrated near enough to the river that they could effect a crossing before Japanese columns could reach them. If, however, they refuse to leave Shansi, they probably will be driven east toward the Peiping-Hankow Railway to grspli into small rovin bands which can only engage in guerilla activity.

"Reports indicate that 80,000 men of the Eighth Route Army under General Chu Teh have made this choice. The whereabouts of the rest of the Army, said to number 150,000, cannot be ascertained although some of them are said to have crossed the Yellow River to the south.

"Military observers believe that the best strategy for the Chinese to employ in the present circumstances is to send a large and speedy force up the Peiping-Hankow Railway to attack the Japanese rear lines. Such a maneuver, if carried out with great speed, might even isolate Japanese columns moving southwest along the Honan-Shansi border.

"Japanese troops moving swiftly over an extensive area have seriously out-flanked the Chinese Army. When they have finished 'mopping up' all organized Chinese units north of the Yellow River, the Japanese will be faced with two possible courses to follow, military observers believe.

"The first course is for the Japanese to attempt a crossing of the Yellow River into Shensi at some point near the junction of Shensi, Shansi and Honan provinces. Should they choose this move and succeed, it is expected that they will split their forces into two columns, one pushing southwest to Sian and the other toward Tungkwan.

Chinese Launch Counterattack

Taking advantage of the transfer of the main body of Japanese troops from Honan to Shansi, the Chinese forces at Chengchow are officially stated to have crossed the Yellow River and to have launched a counter-offensive on the Peiping-Hankow Railway. *Reuter* reported from Hankow on March 4.

At the same time, a Chinese column operating from a point east of the railway, is said to have made its way via Hwahsien, near the eastern terminus of the 93-miles long Taokow-Chinghua Railway, to Sinsiang and Weihwei, both on the Peiping-Hankow line, and to have recaptured these towns.

The recapture, it is stated, was possible because the two towns were manned only by small garrisons. Sinsiang, which is roughly 40 miles north of Chengchow, is at the junction of the Peiping-Hankow and Taokow-Chinghua Railways. while Weihwei, which witnessed some of the bitterest fighting of Japanese drive in Honan before it originally fell, is 15 miles further.

The Japanese are continuing their relentless drive in Shansi. Official Chinese dispatches admit the fall of Linfeng, where the provincial capital was transferred on the fall of Taiyuan.

The Chinese counter attack along the Peiping-Hankow Railway is said to have been undertaken with a view of relieving pressure in Southern Shansi.

Meanwhile, the Chinese troops in Shansi are said to have changed their military tactics. Instead of fighting positional warfare with the Japanese forces, who possess superior artillery and mechanized units, the Chinese are now reported to be concentrating on harassing the Japanese flanks and rear.

"By mov ng n th s way t would be poss ble for Japanese columns to outflank strong Ch nese fort fications situated along the river front at Tungkwan and also to avoid heavy Chinese troop concentrations in the vicinity of the city itself. The strategy, however, is dangerous since troops crossing the river would be separated from the main body of troops operating in Shansi. The units would also be faced with the prospect of traversing the mountainous terrain of Shensi where General Chu Teh's guerilla units and forces of the Eighth Route Army are stationed.

"Military expert point out that the advantages of this plan include the establishment of a stepping stone for a march on Szechuen Province, which Chinese militarists have regarded as inaccessible, and the blocking of the recently completed motor road linking central China directly with the Soviet Union.

"The alternative to the Shensi drive is to attack the Chinese forces concentrated in the south and east of Shansi and drive them fouth across the river. It was expected here that the Chinese command would send additional troops into this area if the need became urgent.

"For 400 miles along the south bank of the Yellow River in a strip paralleling the Lunghai Railway and turning north at a right angle between Shansi and Shensi, Chinese troops are massing for a defense which has been expected for years.

"There are approximately 150,000 Chinese troops presently strung along the south bank of the river from Kweiteh to Tungkwan. More are expected to be thrown into the line if the Japanese attempt to cross the Yellow River.

"The likeliest place for a Japanese crossing attempt is thought to be somewhere east of Tungkwan where the river is narrowest although a crossing at any point would be difficult. If the obstacles in the way of a crossing are too great at this point. Japanese forces may cross into Shensi and make another great flanking movement as they did in Shantung where they have already crossed the river."

Hankow to Be Next Objective

Hankow, "only 400 kilometers away" from the present positions of Japanese forces along the Yellow River, now has become the "objective of an easy drive," a spokesman for the military section of the Imperial General Headquarters in Tokyo declared March 8.

The Lunghai Railway, China's jugular vein," now is within range of Japanese artillery forces, which have taken up positions on the northern bank of the Yellow River, the spokesman said.

JAPANESE ARMY CAPTURES DUMMY PLANE

The Japanese claimed in an official report of the Tokyo War Minister that they had destroyed some 700 Chinese planes—in the air and on the ground. Well, here's one that is being destroyed—on the ground—by the Japanese Army at the Chinese airfield at Pengpu, Anhwei Province. One wonders how many times this dummy plane, made of straw matting, was recorded in the official Japanese reports as "another Chinese plane destroyed." The picture was circulated by *Domei* and shows Japanese soldiers warming their hands in the bonfire of the dummy plane.

Recalling a Chinese proverb to the effect that one who controls the Yellow River rules the whole of China, the officer stated that Japanese forces which resumed their southern push in Shansi and Honan on Feb. 11 now have succeeded in occupying all key points north of the river.

He pointed out that Hankow now was "only 400 kilometers away across the great plains of Honan and Anhwei Provinces, which have been encireled by Japanese forces from the north along the Peiping-Hankow Railway, and from the east with Nanking as a base of operations."

Results of the Japanese operations north of the river have proven that "nothing can check the Japanese advance," the spokesman said.

Henry Ford Predicts Brighter Future for Nation's Youth

Henry Ford, automobile manufacturer, predicted a bright future for the present generation in the course of an interview issued through the *United Press* on March 5. He said that industry would combat unemployment through technical education. "I feel," he said, "the present generation will see the greatest era the world has ever known. . . Scientific inventions and mechanical improvements are making things easier." Mr. Ford blamed the current depression on financial interests whom he accused of seeking to control prices, production and wages."

The year 1937 was the second best year since 1930 for the Ford Company according to a report the Ford headquarters at Dearborn. Ford production numbered 1,027,701 units produced in the United States; 78,874 in Canada and other British Dominions; 207,794 produced or assembled in plants in Europe, Asia and Latin American countries. Aside from the Dearborn plant there are four other key Ford plants—Windsor, Canada; Dagenham, England; Strassburg, France and Cologne, Germany. While the company has an assembly plant in Yokohama, Japan, all Ford materials sold in China come from American plants excepting the British Ford which comes from England.

Japan's "China Incident" Budget Passed by Diet

Passed by the Japanese Diet on March 8 was the "China Incident" budget, amounting to Yen 4,850,000,000, The money is to be apportioned as follows:

War Office	3,257,000,000 yen
Navy Ministry	1,043,000,000 yen
Finance Ministry	550,000,000 yen

Bond issues in connection with the extraordinary budget total 4,454,000,000 yen.

The news dispatches fail to state for how long a period this nearly five billion yen will last, but since the period is not stated it can be assumed that the money will be used up within a comparatively short time.

Meanwhile, Japan is continuing her efforts to finance a war which has seriously strained her economic system. In this respect her foreign trade plays an important part, and in this respect her foreign trade, which was seriously affected by the loss of her China market and by the concentration of Japanese ships on wartime duties between China and Japan, plays an important part.

Domei reported from Tokyo March 3 that three courses of action to promote Japan's foreign trade were decided upon at a conference of leading officials of the Ministries concerned and the National Planning Board. Efforts will be made by the Government to conclude reciprocal treaties in order to obtain new markets.

Through diplomatic channels attempts will be made to turn the balance of trade in favor of Japan, in case adverse balances with some countries continue. The Government will devote special attention to importations of raw cotton and wool, which are used in manufacturing principal epxort products.

Tax on Foreign Loans to Be Cut by Japan

New loans to be floated in Japan by foreign countries, chiefly by Manchukuo, will be given the same con-ideration as Japanese national loans, so far as taxation is concerned, the Ministry of Finance decided March 2. If the necessary bill is passed by the Diet the tax rate on such foreign loans will be reduced from 15 to 6 per cent.

Gasoline to Be Sold to Ticket-Holders Only

Seeking to slash the consumption of gasoline and petroleum by 20 per cent, the Ministry of Commerce and Industry will shortly restrict the sales of these products to holders of special tickets issued by the Government.

Diplomats and housewives, officials of the Ministry said, will not be affected by the ruling. "Crussing taxies," once the bane of pedestrians in Tokyo and other major icties, have recently been "anchored" to parking stations to cut down the consumption of gasoline.

Firms May Be Asked to Spend Excess Dividends for Government Bonds

Business corporations must obtain official permission if they desire to increase dividends, Mr. Shinji Yoshino, Minister of Commerce and Industry, told a committee of the Lower House yesterday.

Mr. Yoshino replied to interpellations by Mr. Toyokichi Toyoda, member of the Minseito Party, regarding the disposal of corporate profits as stipulated in Article 11 of the National General Mobilization Bill.

The Minister pointed out that there was a possibliity that the Government would order such corporations to appropriate excess profits toward the depreciation of technical installations, or the purchase of Government bonds.

Sales of Government Bonds Active

The *Asahi Shimbun* for February 18 reports that sales of Government bonds in the hands of the Bank of Japan continue active, with the February 17 sales involving Yen 11,800,000 worth of 3.5 per cent Government bonds and Yen 3,000,000 worth of rice notes. The February 16 sales included a big sale to the Deposits Bureau of the Finance Ministry involving some Yne 50,-000,000. GThe overnment bonds on sale from the windows of the post offices throughout the Empire since February 15, amounting to Yen 50,000,000, have been almost completely sold out. Including the Yen 100,000,000 sales resultant from the foregoing two big sales, the total sales since the start of the month amounted to Yen 284,300,000 including Yen 197,300,000 worth of Government bonds and Yen 87,000,000 worth of Government rice notes. Such an activity of the bond sales is apparently attributable to the weakening situation in monetary circles recently and the bullish sentiment of the first-class city banks.

EYES AND EARS OF THE ARMY

The Japanese soldier at the right hasn't horns, as some might suspect, but is looking through a new type field glass which makes it possible to see great distances and also measure the distance of terrain within the scope of the glasses. The picture was taken in Anhwei in the vicinity of Pengpu.

Japan Tightens Economic Hold on North China

Japanese schemes for the economic development of North China as a member of the Japan-Korea-Manchukuo system were rapidly being whipped into shape this week, companies for the exploitation of resources were being formed, and plans were being laid for the opening of the Japanese-sponsored economic system by the time the Spring breezes blow across the northern plains.

Construction of railways should be started first in the industrial development of North China, Mr. Hatsusaburo Hirao told a *Domei* correspondent March 1 before departing for North China to assume the post of Economic Adviser to the Japanese Army Garrison. Mr. Hirao is Chairman of the Board of Directors of the Japan Iron Manufacturing Company, and former Minister of Education.

Railway building was of prime importance, he pointed out, because of the need for transporting materials from the interior and exploiting natural resources.

"As my role is, as it were, that of go-between for the authorities on the spot and the Government," Mr. Hirao continued, "I shall do my best to carry out my work in line with the established policies. I was told by Dr. Wang Keh-min, Chairman of the Executive Commission of the Provisional Government of China, that he entrusted me with economic affairs, as he is concerned mainly with political matters."

Touching on the organization of industrial development companies for North and Central China, Mr. Hirao voiced the hope that the Government would choose experienced civilians to make up the personnel of the companies as soon as possible.

Mr. Hirao revealed that he will become chairman of an economic commission to be established by the Japanese Army in North China for the express purpose of controlling the projected economic development concern.

Liaison between the Commission and the Provisional Government will be maintained through the medium of the Sino-Japanese Economic Council, of which Dr. Wang will be the chairman and Mr. Hirao the vice-chairman.

Rapid Railway Schedules for North China, Korea and Manchuria

Travelers between Korea, Manchuria and North China will enjoy the boon of through express train service next month.

Executives of the Korean, South Manchuria, and Peiping-Liaoning Railways have agreed to run an express train between Mukden and Shanhaikwan, and Shanhaikwan and Peiping starting on April 1. Representatives of the three railways were to have held final discussions on the service at Shanhaikwan on March 10 and 11.

The new fast service is expected to solve the long-standing problem of connections between the South Manchuria and Peiping-Liaoning Railways, and contribute to the economic development of North China.

Raw Cotton Company to Be Formed

Its creation formally approved by the Government, a North China Raw Cotton Company will be brought into existence here before the end of this month, *Domei* learned in Osaka March 2.

Capitalized at Yen 3,000,000, the concern will devote its attention to the packing, stroing and transportation of raw cotton from North China to mills in Japan. Shareholders of the company will include the Hsing Chung Kungssu, North China's leading Japanese investment concern; the Japanese Cotton Mill Owners' Association and private textile interests.

North China Farm Relief Program Completed

Completing a study of the report brought by investigators dispatched to war-torn and flood districts, officials of the Provisional Government in Peiping announced on Feb. 28 a four-point relief program for farmers in North China.

The Government will undertake to provide jobs for many farmers on reforestation projects, construction of canals necessary for irrigation, and highways; efforts also will be made to encourage migration from devastated regions to others untouched by warfare and floods.

Funds will be granted by the Government to enable the farmers to carry on their spring planting. For this purpose a Farm Relief Office is to be opened under the supervision of the Executive Commission of the Government.

Mining Development Planned

Extensive industrial development of North China will be started in the near future by the Provisional Government of China in the form of a four-year coal mine exploitation program.

Investigations leading to the inauguration of the program are now being conducted by the Government in co-operation with the Japan Iron Manufacturing Company and the Hsing Chung Kungssu, North China holding firm. The plan is expected to be set in motion shortly with the organization of the North China Industrial Development Company with a capital of Yen 100,000,000. A bill covering the organization of the company is to be submitted to the present Diet session in Tokyo.

The Government will develop coal mines in Hopei, Shansi and other occupied areas in North China, in order to supply fuel for Japan's manufacturing plants. The Government will cooperate with the Federation of Monkiang Associations in increasing the output of the Tatung coal fields, whose deposits are estimated to total 9,600,000,000, with an annual yield of about 700,000 tons.

At the same time steps will be taken to double the transportation capacity of the Peiping-Suiyuan Railway, and to put into effect a special freight charge for moving coal. Development of the Kailan coal mine also is planned; deposits there are estimated at 700,000,000 tons, with the annual output totalling 470,000 tons.

ANOTHER THOUSAND TO FACE JAPAN

A column of 1,000 uniformed but unarmed partisans arriving at the general headquarters of the 8th Route Army in northern Shensi to join in the guerilla war against the Japanese.

When these projects have been started the Government will enter into the next phase of the program by developing coal mines in Tsingsing, Lincheng and other points in Hopei Province. Coal produced by these mines, however, will be used chiefly by local iron works. Expansion of the Shihchihshan Iron Manufacturing Works also is planned.

Economic Mission To Visit Japan

On receipt of notification that an economic mission consisting of 15 leading Chinese business men and officials of North China would visit Japan in April, the Japan Chamber of Commerce and Industry in Tokyo and other organizations started preparations to welcome them.

The economic mission, which is expected to be headed by Mr. Leng Chia-chi, influential member of the Provisional Government of China and former chairman of the Peking Chamber of Commerce, will include Mr. Lin Chuan-sun, also an official of the Provisional Government; Mr. Ou Ta-king, present director-general of the Peiping-Suiyuan Railway and a leading journalist, and Dr. Chao Chuan.

Japan To Give Funds to Mongol Concern

Following the procedure used in Manchuria and North China, the Japanese Government will contribute a half of the projected Mongolian Electric Communication Equipment Company's capitalization of Yen 12,000,000, *Domei* learned in Tokyo March 2.

Managed jointly by Japanese and Mongolian officials, the concern will eventually become a subsidiary of the North China Industrial Development Company. Prince Tai-la-pu-erh-tsi, Counsellor of the Mongolian Autonomous Government, was expected to be elected President of the company at an inaugural meeting in Kalgan on March 4.

Mongolia Industrial Program Studied

A draft of the four-year program to develop industries in Inner Mongolia was taken to Hsinking March 4 by a representative of the Autnnomous Government of Mongolia to seek an understanding with the Manchukuo Government, *Domei* reported. The emissary is expected to proceed soon to Tokyo to ask the assistance of Japanese authorities.

Provisional Government May Send Envoy To Tokyo?

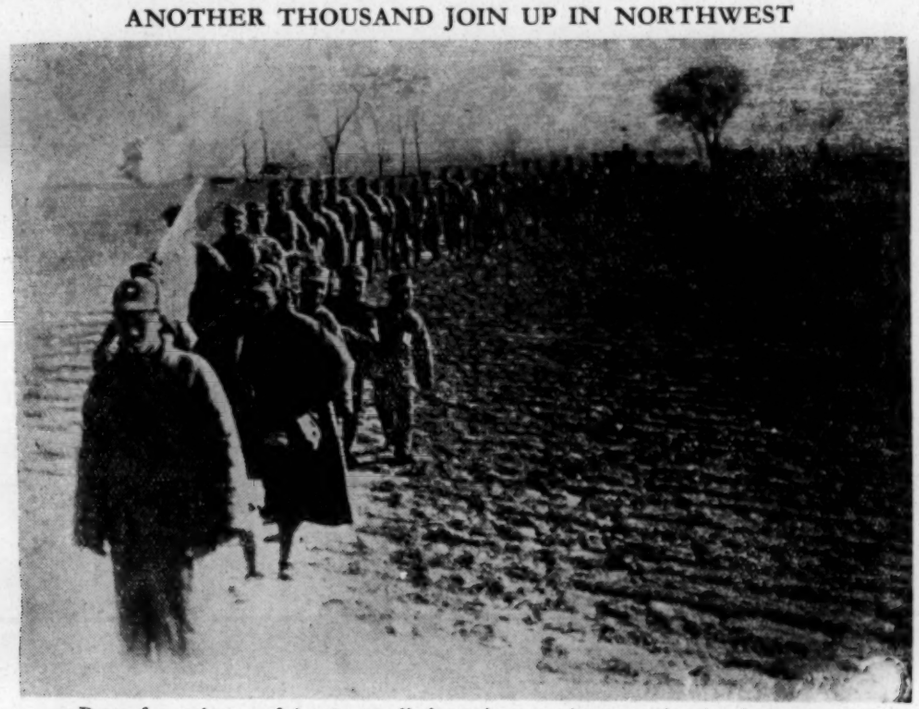
It is reported in Chinese circles that the Peiping Provisional Government is considering the dispatch of a good-will envoy to Tokyo to thank the Japanese Government for its assistance in the establishment of the Provisional Government and also to negotiate with it concerning certain problems of common interest.

Asked by a Japanese correspondent at the weekly press conference at the Administrative Commission whether the Provisional Government was contemplating the dispatch of such a mission Mr. Chu Shen, Minister of Justice, replied that the Government realised the necessity of such a mission but owing to its preoccupation with other problems the mission had not yet been decided upon. However, he believed that it would materialize in the near future.

General Yu Chin-ho, the Mayor of Peiping, is quoted as saying that the monthly revenue of the Peiping Municipality is barely sufficient to meet its monthly expenditure. He points out that in addition to the payrolls of the its various departments the Municipality has to meet interest and principal payments on the $3,000,000 municipal loan floated during the regime of General Chin Teh-chun.

General Yu further says that the pay of the police comes from the house tax. The collections from the tax have increased considerably since its rates were revised by his predecessor, Mr. Pan Yu-kwei.

ANOTHER THOUSAND JOIN UP IN NORTHWEST



Part of a column of 1,000 so-called partisans arriving at the headquarters of the 8th Route Army to enlist in the "guerrilla" war against the Japanese troops in Shansi province.

Opposition Increases Against Japan's Holding 1940 Olympics

With the International Olympic Committee now meeting in Cairo, attention has again centered on the holding of the Olympic games in Tokyo in 1940. So far the Japanese have been vociferous in their assertions that they were well prepared to hold the games, but a note of doubt crept into a *Reuter* dispatch from Tokyo on March 7 which stated that Ichiro Kono, Seiyukai member of the House of Representatives, declared that since the situation was so grave as to require a national mobilization bill, the Government should issue a statement declaring the suspension of the holding of the International Olympics instead of simply prohibiting military officers from participating in the equestrian events.

The 1940 Olympics, replied General Sugiyama, War Minister, will be held if the China incident is ended.

Meanwhile, the China National Athletic Association has written to the International Olympic Committee outlining several non-political reasons why the games should not be held in Tokyo, the most important points being as follows:

1. Japan has violated the Olympic spirit. It is well known that the World Olympic Games as originally conceived, were intended to constitute a demonstration for international peace. In fact, the Olympic Games are universally expected to promote world peace by creating and cultivating the spirit of peace, friendship and goodwill among the athletes of all nations, and through them, among the peoples of the world. Thus the Olympic spirit is essentially a spirit of international peace and amity.

2. Japan has broken the Olympic Charter. To quote from the Manchester Guardian, "The Olympic Charter provides, 'The Olympic Games assemble together the amateurs of all nations on an equal footing.' If the games are held in a country at war, then the amateurs of at least one other nation, which the host country is fighting, cannot take part. The Charter is, therefore, automatically broken."

3. Japan, as referred to above is not a "safe" place in which to hold the next World Olympiad. Since Japanese airplanes have repeatedly raided and bombed various parts of China, killing and wounding thousands upon thousands of civilians, including some Europeans and Americans, it is neither impossible nor improbable that Chinese bombers, in retaliation, many raid and bomb Tokyo and other parts Japan some day, perhaps this year, next year, or in 1940, or who knows when? However, if such a bombing is carried out over Tokyo (where many military establishments are located) at the time of the next World Olympiad, then who can guarantee the personal safety of the participants of the next World Olympiad unless it is held in dugouts?

4. Japan failed in 1934 to keep sports divorced from politics. In that year, Japan tried to make a tool of the Far Eastern Olympic Games as a stepping stone to secure foreign recognition of the puppet state of "Manchukuo" by insisting that "Manchukuo" be formally invited or allowed to participate in the said Olympic Games as an independent state. As a result of this illegal campaign on Japan's part, the Far Eastern Olympic Games of 1934 were later cancelled.

5. The weather in Japan is not suitable for the Olympic Games to be held there in August, it being hot and extremely moist at that time, as pointed out by the Japanese delegate at a recent meeting of the International Amateur Athletic Federation in Paris. If the Games were not held in August, then it would prevent the participation of university athletes, who would otherwise provide a large section of the teams of France. Great Britain, America, and other countries. For this reason, why not choose some other country which has better weather than Japan as the venue of the next World Olympiad?

Tokyo Continues Preparations

Ignoring uncertainties existing in some foreign quarters concerning participation in the 1940 Olympic Games, the Tokyo Municipal Olympiad Organizing Committee on March 8 mapped out an extensive track and field construction programme, which is to be carried out at a total cost of Yen 5,900,000 after approval is granted by the Municipal Assembly.

The plan calls for the construction of huge stands to accommodate about 20,000 spectators in Shibaura at a cost of Yen 600,000, and reconstruction of the old running track and athletic field in Shiba Park at a cost of Yen 2,000,000.

It is intended to use the atter field chiefly for hockey matches. Grandstands there will seat about 10,000 spectators.

In preparation for indoor sports, a big auditorium will be built at the original site of the memorial hall for the late Dr. Seiichi Kishi, former president of the Japan Amateur Athletic Federation, near the Hijiri Bridge, Ochanomidzu.

The auditorium, which is expected to cost Yen 2,000,000, will contain a 150-meter track, two basket-ball courts, one tennis court, boxing and wrestling rings and a 24-meter swimming pool.

Stands for spectators at the indoor track events and basketball games will seat 5,000, but their capacity can be increased to hold 8,000 persons if boxing and wrestling matches are held.

Shanghai Curfew Hour to Be Delayed

The Shanghai Municipal Council approved the extension of the curfew hour to 12.30 a.m. at a meeting held March 9, putting its stamp of final approval on what was regarded as a certainty for the past week.

It is now at the discretion of Commissioner F. W. Gerrard of the S. M. Police and M. Jobez, head of the French Police, to agree upon the date on which the extension will come into effect.

Fur Coat Strikes Japanese Sentry as "Unusual"

One more case was added to the ever growing list of "incidents" involving Japanese soldiers when a Japanese sentry allegedly slapped Miss Grace W. Brady, American school teacher, on Brenan Road March 2.

Consul-General Clarence E. Gauss lodged a protest with the Japanese authorities. According to the story told the American authorities by Miss Brady, who is a teacher at St. Mary's Hall, an Episcopalian educational institution, 65 Brenan Road, and outside the Settlement perimeter, she was slapped across the face by a Japanese soldier who was on sentry duty.

Miss Brady had left the school in company with Miss Yuan, a Chinese member of the school faculty. They were preparing to leave Japanese occupied territory and enter the Settlement when they were stopped by the sentry.

The sentry, according to Miss Brady, first centered his attention upon Miss Yuan. The former informed the authorities that she placed her hand on Miss Yuan's shoulder to indicate that the Chinese teacher was in her company.

At this juncture, the Japanese soldier is alleged to have tried to examine the contents of a book-bag being carried by Miss Brady. The article allegedly dropped from her hand and when she stooped to pick it up, the sentry is alleged to have slapped her across the face.

Following an investigation of the alleged slapping, reports *Domei*, a spokesman for the Japanese military authorities announced March 6 that the sentry had denied slapping the woman. The investigation revealed, the spokesman said, that Miss Brady and a Chinese girl passed the Brenan Road barricade at about 11:30 o'clock in the morning of Wednesday while on the way to the Settlement. The foreign woman was clad in a thick overcoat which appeared rather unusual to the sentry on duty, and he tried to halt her for questioning, the spokesman said.

The woman tried to evade questioning by walking quickly away from the spot. Thereupon the sentry deterred her by touching the collar of her coat, the spokesman stated. The sentry denied that he had slapped the woman on the face.

Smoking Before Sentry Is Disrespectful

Persons passing in front of Japanese sentries on Garden Bridge or at other points should remove their cigarettes or pipes from their mouths and "preferrably bow to the sentry," a Japanese naval spokesman declared in reply to a question raised at a recent press conference. The query was made by a press correspondent who said that one of his colleagues had been called aside on the Garden Bridge after he had attempted to pass before a Japanese sentry with a pipe in his mouth.

"While we prefer to leave the matter of bowing to a sentry to the discretion of the individual involved, it is customary for a Japanese to do so to express his appreciation of the sentry's services and to pay homage to the Service represented by the sentry," the spokesman said.

The Japanese officer pointed out that other armed services, particularly the Italian, required persons passing a sentry post to salute the man on duty. Smoking in front of a sentry was not countenanced as it was "disrespectful."

U. S. Marines, Japanese Still Discuss Passage of Trucks Through Defence Sector

Negotiations between the United States Marine authorities and Japanese military officials regarding the passage of Nipponese military trucks through the American defense sector were still under way March 6 according to a Japanese spokesman.

It was stated, however, that an understanding regarding the identification of the trucks had been reached but the spokesman continued that he was not at liberty to go into details until the entire affair had been cleared up. He indicated that despite the agreement concerning identification, there are still some phases of the negotiations to be completed.

While American Marine officials remained silent regarding the holding up of Japanese trucks at the corner of Bubbling Well and Nanking Roads March 4 for more than 30 minutes, trucks were going through the American defense sector the following day.

From other sources, it was learned that one of the issues at stake was the matter of firearms. The five trucks stopped Friday morning carried soldiers with rifles, according to eye-witness reports.

Trucks that have been allowed to pass since that time still carry soldiers but no rifles or other arms are to be seen, which is apparent indication that an understanding has been reached in this connection,

The Japanese military spokesman at the press conference admitted that a communication from the United States Marine authorities had been received. He added that the message was friendly and was concerned only with the identification of the Japanese trucks passing through the American defense sector.

He indicated that, in the communication, U. S. Marine officials expressed a desire to have the Japanese adopt a system whereby truck identification could be made easy to the American sentries.

ON THE MARCH

Orr in the Chicago Tribune

Evening Post States Attitude as A. P. C. Manager Alleges "Misleading Statement"

The *Evening Post*, Shanghai's crusading newspaper, ran into another squabble last week regarding a misplaced lette. addressed to F.J.E.Willis, manager of the Hangchow office of the Asiatic Petroleum Company.

The letter, Japanese authorities stated, was sent by mistake to the Japanese authorities in Hangchow to be censored, but was returned to Mr. Willis as soon as the Japanese official in charge discovered that it was a personal communication to the A.P.C.

executive. Mr. Willis and the Japanese authorities thought that the manner in which the *Post* wrote of the affair had not given the proper angle on the story.

"The *Post* had stated: During the trip on the freight train, Mr. Willis was fortunate in catching up with an elusive letter and money which had been sent by a Miss Morton to friends in Shanghai, but which had gone astray, Letter and money were found in the keeping of a Nipponese military man."

According to *Domei*, Mr. Willis thought the statement to be misleading, whereupon the editor of the *Post* retorted:

"As the Japanese have learned in past clashes with the Evening Post, this paper does not 'pull its punches.' If there are charges to be made against the Japanese they are made directly, not hidden in misleading statements.

"Mr. Willis, having spent long days in Hangchow, does not appear to know about past stories concerning Japanese looting and raping in Hangchow and Nanking appearing in this paper.

"Of interest is the fact that Mr. Willis called up and requested that the arrival of himself and party in Shanghai be broadcast by the Evening Post radio reporter, asking in particular that the recovery of letter and money be mentioned so that friends in Hangchow might hear. Since only news items can be sent during our broadcast, the information of the arrival, letter and money, of no interest to the average reader was inserted as a favor to Mr. Willis who has now shown a peculiar way of repaying. It is not necessary for the Evening Post to deal with petty thefts when it desires to raise the issue of looting by Japanese, and it 'states,' not 'insinuates.'—Editor."

Terrorism Proves to Be Poorly Paid Profession

The low cost of bomb-throwing in Shanghai was reveald in the 2nd Special District Court March 3 when Tseng Kuo-tung, alleged terrorist, stated that all he and his accomplice, On Hsin, received for throwing a grenade at the Shanghai Evening Post and Mercury on February 11, was the trifling sum of $5.

For this amount of money, Tseng is now facing charges of intimidation, attempted murder, endangering public safety and causing damage to the property of others, while On Hsin is charged with intimidation and attempted murder.

Both men were arrested about 6 a.m. February 11, immediately after Tseng had hurled a hand-grenade of the potato-masher type at the main entrance to the Evening Post building. The pair were riding the same bicycle at the time and a Chinese police constable nabbed both when they attempted to make their getaway.

Chinese General Murdered in French Concession; Assassins Escape

General Chou Feng-chi, 58, former acting provincial chairman of Chekiang and formerly commander of the 26th People's Revolutionary Army, was fatally wounded shortly before 2 o'clock on March 7 by three men, two armed with revolvers.

As General Chou emerged from his residence at 80 Avenue du Roi Albert and entered a waiting automobile, three men rushed out. Two of them emptied their revolvers at the victim, and immediately disappeared. His death was instantaneous.

It was learned from usually reliable sources that General Chou has been offered and accepted the post of "minister of war" with the "local government" which the Japanese are reported to be planning in Nanking, and which was to be inaugurated this week.

According to a press release of the French Police, a warrant was issued for his arrest on June 16, 1932, for subversive activity against the internal security of the country by the Second Special District Court.

The driver of the automobile which General Chou entered just prior to his death was reported by the French Police to be a Formosan.

Born at Changhsin, Chekiang, General Chou occupied various minor military posts. Following the capture of Chekiang by General Sun Chuan-fang in 1924, he joined the former Shantung warlord.

When Nanking fell into General Sun's hands, the deceased was made garrison commander. Later, when the revolutionary armies pushing from the south put the worlord's forces to rout, General Chou joined the southerners to become commander of the 26th Army.

He was subsequently appointed acting chairman of Chekiang and chief of military affairs in that province in 1926, but retired soon after.

In 1927, he joined the Kuomintang, but here also he failed to stay for a long time. He defended Nankichang for the Kuomintang the same year, but broke with Generalissimo Chiang Kai-shek soon after. He has remained in the ranks of the opposition since.

The assassination of General Chow Feng-chi in Shanghai caused a great sensation in Hankow, where it was believed he was murdered by a patriotic groups.

Pootung Railway Seized by Ta Tao Government

The Chuen-Sha Light Railway, which runs from Kaomiao-cheng near the Pootung Bund to Chuen-sha farther south, was seized March 4 by the "Ta Tao (Great Way) Government," according to a Chinese report.

The Chuen-Sha Light Railway was built more than a decade ago by the Shang-Chuen Communications Company, a private Chinese concern. It is about 20 miles long. The operation of the railway has been suspended since the commencement of the Sino-Japanese hostilities in the Shanghai area. Shortly after removal of the hostilities futurer inland and with the gradual restoration of normal conditions in Pootung, the company resumed the service weeks ago.

The immediate cause of the seizure. it was reported, was the "discovery" of a number of pistols among the baggage of the passengers on February 23 by the Japanese authorities. The discovery resulted in the wholesale detention of some 300 passengers, including many women and children, as well as all employees on the train by the Japanese authorities.

Power Firms Form Central China Guild

The "Big Five" of the Japanese Electric Power Industry have formed the Central China Electric Industrialists' Guild, which will regulate the members' activities in the Yangtze valley, *Domei* reported from Tokyo March 5. Sixteen smaller power concerns throughout Japan have also been asked to join the guild.

The "Big Five," headed by the Tokyo Electric Light Company, have already formed the North China Electric Power Company, capitalized at Yen 5,000,000, of which a half has been subscribed by the Hsing Chung Kungssu, leading Japanese investment concern in North China. Plans have, however, been already completed for the expansion of the capital to Yen 50,000,000, a portion of which will be paid by smaller firms in Japan.

Japanese Censors Threatened

Bombed once, officials of the Japanese Censorship Office, in the Hardoon Building, on Friday received a threat of another attack "with powerful explosives," the *Shanghai Mainichi* reported Mar. 4.

Written in Chinese, the note of warning said the Chinese would continue to combat the activities of all Japanese organs in the Settlement. The letter was immediately transmitted to the SM.P. for an investigation.

Nantao Power Plant, Water Works Resume Operatsons

Shinto ceremonies marking the completion of repairs on the Nantao power plant and waterworks were held at the waterworks on March 6. Bodly damaged by Chinese troops before their retreat from Nantao in November, the two plants were under repairs by Japanese technicians since the beginning of last month, *Domei* states.

Initial tests made on March 3 were satisfactory, and now Nantao once again depends upon its own power and water supply. The repairs were undertaken by the Hsing Chung Kungssu, a Japanese investment company operating mainly in North China. About 100 Japanese engineers and skilled workers lent by the Osaka Municipal Waterworks and nine Japanese power concerns, including the Ujigawa Electric Light Company, took charge of the repairs. A priest of the Shanghai Shinto Shrine officiated at the ceremony.

Number of Employed Workers Reached 86,442 Last Week

The number of employed workers at Shanghai has increased from 47,782 on Nov. 13 last year, and 56,736 on China New Year to 86,442 at the present time. The great increase last week was due to the re-opening of the Japanese cotton mills in the western section of the Settlement. The report, issued by the Industrial Section of the Council, stated that the number of workers employed in all industrial areas averaged 250,000. It was stated that to date only 4,890 have returned to work in the northern district.

Will Hayes Trying to Break Japanese Movie Ban on U. S. Films

Will Hayes, diplomatic adviser to the American movie industry, has made a proposal to the Japanese Government for an adjustment of the Japanese ban on foreign films which was scheduled to go into effect early this year. The object of the Japanese ban was to prevent foreign propaganda (or ideas) from entering the country, to prevent remittance of money from Japan, and to stimulate the production of native films.

According to a report in the *Hochi* (Feb. 28) Mr. Hayes proposed to the Tokyo Foreign Office that Hollywood should produce certain films "which would be suited to the Japanese at this time," and that the American producers would agree to permit their profits to remain in Japan instead of being remitted to the United States.

A further reference in the *Asahi* stated that a Miss Hisake Koike, described as a Japanese prima donna, had signed a contract to produce a Japanese film at Hollywood.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

Feb. 8.—Japanese troops reported having crossed Hwai River North of Pengpu on Tientsin-Pukow Railway and captured Hwaiyuan, whence they are advancing northwestward with Mengcheng as immediate objective. Aim of the new drive believed to be Kweiteh, strategic Honan city, on Lunghai Railway.

Feb. 8.—Japanese airplanes scatter leaflets containing ultimatum to Amoy authorities, threatening complete destruction of the city, unless it surrenders very soon.
Fatshan, near Canton, bombed. Chinese fleet of small craft chartered by Texas Oil Company machine-gunned by Japanese planes (Feb. 5), according to Hongkong report.

Feb. 8.—Many Central China cities, including Hankow, Hanyang, Ichang and Shasi air-bombed; One Japanese bomber shot down near Hankow. Foreigners in Hankow and other Central China cities began to depart as result of recent Japanese warning to third party nationals to withdraw from vast area north of Yangtsze.

Feb. 8.—Quo Tai-chi, Chinese Ambassador at London, denied Japanese report that Great Britain was requested by China to mediate with Japan.

Feb. 8.—Japanese Foreign Office official declared in Tokyo Diet that China's war chest at end of January amounted to $600,000,000, which sum is believed sufficient to enable China to continue her munitions imports at present rate for another year.

Feb. 8.—Mail of all nationalities, including the Japanese, now censored in Peiping. Five foreign embassies protest to Japanese authorities against such interference.

Feb. 8.—Peiping's new Federated Reserve Bank scheduled to open on March 1, according to announcement by spokesman of "Peiping Provisional Government."

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Feb. 9.—Field of Japanese operations in North Honan and South Hopei enlarged for prospective battle for Lunghai Railway. All Japanese columns in provinces of Honan, Hopei, Shantung, Anhwei and Kiangsu reported advancing in general direction of Lunghai railway. Outbreak of major hostilities imminent.
Japanese troops in Hangchow and Wuhu sectors remain on defensive; Chinese troops said to have reached outskirts of Wuhu.

Feb. 9.—Changsha, capital of Hunan, bombed by Japanese planes for first time; casualties reported heavy.
Canton-Kowloon Railway heavily bombed.

Feb. 9.—Hsu Shih-ying, returned Chinese Ambassador from Japan, denied he had brought back with him any peace proposals from Japanese Government; said that so-called "China Incident" was long premeditated, being the result of many years of careful planning.

Feb. 9.—Japanese report that China has requested British mediation denied in official circles at Hankow.

Feb. 9.—Chinese military spokesman at Hankow declared that the Chinese would do their utmost to hold Hsuchow at junction of Lunghai and Tientsin Pukow railways as long as possible, although its fall might be inevitable despite bravery of Chinese troops.

Feb. 9.—Acceptance of mail at Shanghai Post Office addressed to points in Kwangtung and Kwangsi temporarily suspended, according to announcement by A.M. Chapelain, Director of Posts.

Feb. 9.—Japanese to take over all properties belonging to "hostile Chinese" in occupied areas in Central China, declared Japanese army and naval spokesman.

Feb. 9.—Masayuki Tani, former Japanese Minister to Austria, named Japanese Ambassador-at-large in control of foreign affairs in Central China with headquarters at Shanghai, according to **Reuter** report from Tokyo.

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Feb. 10.—Chinese troops launch counter-attacks on Japanese south of Hwai River on southern section of Tientsin-Pukow Railway; violent fighting ensued.
Hwaiyuan, captured by Japanese sometime ago, now reported surrounded on three sides by Chinese troops. Japanese plan to advance south of Hwai River in westerly direction from Tingyuan to Yangkang and Kweiteh frustrated.

Feb. 10.—Heavy artillery duel between Japanese warships and Bocca Tigris Forts at Canton.

Feb. 10.—According to report issued by Japanese Military Headquarters in Peiping, there are now 651 foreigners fighting for China, consisting of 57 Britons, 152 Americans, 124 French and 315 Russian. Majority of foreigners, the report stated, are engaged in aviation.

Feb. 10.—Offices of **Hwa Mei Wan Pao**, American registered Chinese paper, and **Wen Hui Pao**, British registered Chinese paper, bombed and badly damaged, allegedly because of refusal of papers to submit to Japanese censorship. In attack on **Wen Hui Pao**, there Chinese employees were wounded.
Another severed Chinese head discovered in French Concession on Rue Doumer.
French Municipal Police offer reward of $3,000 for information leading to arrest of persons engaged in acts of terrorism.

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Feb. 11.—Japanese report completion of repairs to Yellow River Bridge north of Tsinan enabling transport of troops from Tientsin for attack on Hsuchow.
Japanese troops on Peiping-Hankow Railway launch attack on Tangyin, 10 kilometers south of Changteh, Honan. Offensive foreshadows general push toward Lunghai Railway. Due to resistance offered by Chinese troops, Japanese southward advance stopped at a point 50 miles north of Yellow River.

Feb. 11.—Wuchang, capital of Hupeh, raided by Japanese planes for first time. Several bombs aimed at airdrome missed mark.

Feb. 11.—Two more severed human heads discovered in French Concession, one on Route Dufour and other on Rue Chapsal, making total of four since Feb. 6.

Feb. 11.—Building of **Shanghai Evening Post & Mercury** again bombed at 5.30 a.m. Bombing was carried out by two men riding on bicycle, who were subsequently arrested. They confessed to Police the act of bombing, but refused to give further information.
French Municipal Police have arrested 6,000 suspected terrorists since Jan. 1.

Feb. 11.—Trouble in Szechuan arising from appointment of Gen. Chang Chun as Chairman still unsettled. Rumored at Chungking that the provincial militarists would use force to oppose Gen. Chang's assuming office.

Feb. 11.—Yung Chung-king, well-known Chinese industrialist, died at Hongkong. Had departed from Shanghai early in February due to unfavorable reactions to his alleged participation in so-called "Shanghai Citizens' Federation," an organization fostered by Japanese at Shanghai.

Feb. 11.—Shao Li-tzu, Publicity Director of Chinese Government at Hankow, denied rumors of peace negotiations between China and Japan; declared China would continue resistance.

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Feb. 12.—H. P. Mills, American publisher of **Hwa Mei Wan Pao**, Chinese language daily, received anonymous letter, threatening him with 200-pound bomb, "unless he changed the tone of his paper to pro-Japanese."

Feb. 12.—An international conference to discuss ways and means of boycotting Japan and helping China opened at London. The meeting, held under the auspicies of the International Peace Campaign, was attended by over 800 delegates representing many nationalities. Gen. Chiang Kai-shek, T. V. Soong, Col. Henry L. Stimson (former U. S. Secretary of State) cable messages urging collective action against Japan. Dr. Wellington Koo spoke on behalf of Madame Sun Yat-sen.

Feb. 12.—Wang Keh-min, Chairman of Administrative Commission of "Peiping Provisional Government," announced that the new Federated Reserve Bank would open for business on March I with himself as Governor.

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Feb. 13.—Japanese new drive southward from North Honan and South Hopei seen as serious threat to Lunghai Railway, which stands in danger of being cut at Kaifeng, capital of Honan. Tangying, 10 miles south of Changteh, Honan, captured by Japanese; fighting now raging near Kaotsun, only four stations north of Singhsiang. Puyang, in south Hopei, 60 miles from the nearest point on the Lunghai Railway, also fell to Japanese. Singhsiang, 40 miles directly north of Chengchow, strategic city on Lunghai Railway, thus threatened.
On Tientsin-Pukow Railway front, Chinese troops withdrawing from Hwai river region, established positions north of Kwei river with the Japanese holding the southern bank.

Feb. 13.—Change of "Peiping" to "Peking" officially recognized (Feb. 12) by Japanese Embassy in Peiping.

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Feb. 14.—Japanese claim further advance toward Lunghai Railway along Peiping-Hankow Line. Fighting raging at Weihwei, 15 miles from Singhsiang, junction point of Ping-Han and Taokow-Chinghua railways. To check Japanese advance, Chinese troops destroyed 35 milles of railway tracks and embankments south of Changteh. Meanwhile, another Japanese column, advancing from south Hopei, is trying to reach Yellow River via Chingyuan, 30 miles north-east of Kaifeng, Honan capital. Chinese guerillas become active in rear of Japanese lines. Japanese troops on Tientsin-Pukow Railway resume activity. Sanguinary battle north of Hwai River near Kuchen. Chinese claim recapture of Fengyang and Linghuaikwan south of Hwai River by successful flank movement.

Feb. 14.—Hankow governmental circles express disappointment over Soviet aid. Hopes for Soviet intervention on behalf of China said fading. Soviet Russia reported evasive, refusing to give assurances of support.

Feb. 14.—Delegates of 20 nations condemn Japanese aggression at mass meeting of the International Peace Campaign in London (Feb. 13). Meeting presided over by Lord Cecil, President of the League of Nations Union and attended by 2,500 people of many nationalities.

Feb. 14.—Casualties estimated between 500 and 1,200 believed to have been caused at Chengchow, junction point of Peiping-Hankow and Lunghai railways, when Japanese planes raided the city in relays for two hours. Three bombs fell in compound of American Baptist Mission and buildings seriously damaged but no causlaties resulted. Many Chinese buildings, near the Railway Station, including Post Office and Chinese hotel, were wrecked.

Feb. 14.—Fumio Yanagisawa, camerman of **Domei** news agency, killed (Feb. 13) near Chufu, birthplace of Confucius in Shantung.

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Feb. 15.—Chinese and Japanese troops locked in desperate fighting north of Weihwei, on Peiping-Hankow Railway, as battle for possession of Lunghai Railway develops. Heavy casualties on both sides. Gunfire audible in Singhsiang.
Strong detachments of Chinese irregulars, equipped with artillery, launch surprise attack on Paoting in attempt to interrupt Japanese lines of communications.
Japanese reported preparing new offensive in Shansi. On Tientsin-Pukow front, the Japanese are attempting to cross the Kwei River to attack Kuchen.

Feb. 15.—H. S. "Newsreel" Wong, camerman for Hearst's metrotone, arrested by Japanese police and detectives of Shanghai Municipal Police department on Yuen Ming Yuen Road. But for the presence of British Sub-inspector George Tilton, Wong would have been taken to Japanese Headquarters in Hongkew. Was detained at Central Police Station for several hours for questioning regarding alleged anti-Japanese activities, but subsequently released on personal guarantees of Bonny Powell, of Fox Movietone and M. Marcus, manager in China of Metro-Goldyn-Meyer.

Feb. 15.—Branch Chinese Supreme Court soon to be established in Shanghai by Ministry of Justice with jurisdiction over appeals from Chinese District Courts in International Settlement and French Concession.

Feb. 15.—Hankow **Reuter** report stated Chinese government disappointed by Soviet airplanes, which are said lacking in maneuverability and climbing power.
Alliance between Chinese Red Army and Kuomintang said not on firm basis, according to **Reuter** report from Hankow. Many government leaders expressed view that Chinese Communists should not be depended upon too far.

Feb. 15.—Hankow report stated that Li Shih-hao, close associate of Wang Keh-ming and former Anfu leader, active in forming Central China puppet Government. Others interested in the scheme include Li Kuo-chi (grandson of the late Vicerory Li Hung-chang), Chen Chung-fu, former Chairman of Foreign Affairs Commission of Hopei-Chahar Political Council, and Wang Chi-wei, Formosan politician.

Feb. 15.—Party of Japanese marines, attempting to pass through American Defence sector beyond Nanking Road in Shanghai, were turned back.

Great Britain, U. S. Protest Against Mail Censorship

Protests against the imposition of mail censorship by the Japanese in Shanghai have been lodged with Mr. Suemasa Okamoto, Japanese Consul-General, in Shanghai, by Mr. Herbert Phillips, H. M. Consul-General and Mr. C. E. Gauss, U. S. Consul-General, it was learned March 5. The protests referred to the probable censorship of British and American mails by the Japanese, and in both instances full rights were reserved on behalf of their nationals by the respective consuls-general.

Censorship of mails was expected to begin this week following the visit of Japanese censors at the Post Offic in North Soochow Road on Friday. The call was made at 9.30 a.m. when 21 Japanese entered room No. 20 on the second floor of the main building, which had been prepared for them. Altogether 22 Japanese will undertake the work.

Japanese Get Representations on Mail Censorship

"Simply worded" representations were received by the Japanese authorities in Shanghai early in March from the British and American consuls-general with regard to the reported plans for the institution of mail censorship here, a Japanese Embassy spokesman said March 6. The communications were still unanswered, he added.

Similar representations were made by the American Ambassador in Tokyo late in February. The spokesman said he was unaware what steps had been taken by the Japanese Foreign Office with regard to the matter.

Meanwhile, in Japan the shoe is on the other foot, the Japanese being exercised over alleged examination by the Soviets of letters from Japan.

"There are indications that all letters addressed to the Soviet Union from Japan are opened and examined by the Soviet authorities and even those letters addressed from Japan to Europe "via Siberia," including private letters, are subjected to a similar treatment in the Soviet Union," wrote the *Nichi Nichi Shimbun* on Feb. 24. "News of such action on the part of the Soviet authorities is creating a sensation in all circles here. The War, Navy and Foreign Ministries are understood to be considering counter-measures."

Terrorists Bomb Printing Plant and School

Five men, one woman and one child, all Chinese, were wounded when Shanghai terrorists went back into action March 4 and tossed two potato-masher type hand-grenades, one in the French Concession and the other in the International Settlement.

The more important of the two incidents was the bombing of the printing plant of the morning edition of the *Ta Mei Wan Pao*, Chinese edition of the Shanghai Evening Post and Mercury, occupying the old *Lih Pao* premises at 289 Kiukiang Road.

The bomb was thrown by an unidentified Chinese, dressed in a long gown, at 6.35 p.m. Three men were wounded, one an employee of the paper. The other two were apprentices employed in a shop just across the street.

While the explosion of the grenade destroyed the plate glass windows of the front office of the morning edition of the *Ta Mei Wan Pao*, practically no damage was caused to the interior.

The other bombing occurred in front of a Chinese primary school on Route Voyron in the French Concession. This was about 4.45 p.m. Two men, one woman and a child were wounded. Their conditions were not serious, however. The wounds of all four were confined to the legs.

The bomb was thrown by a poorly clad Chinese who was subsequently captured by Chinese civilians who witnessed the crime. Striking the pavement in front of the school, the exploding missile caused but little damage to the premises. The Chinese doorman at the school was on the front steps at the time talking to a shroff. Both were wounded. The wounded woman and child were both pedestrians.

Witnesses of the bombing gave chase to the grenade-tosser who immediately took to his heels. After a short chase, the fellow was nabbed and handed over to the French Police. Taken to the police station the man was questioned and made a statement to the effect that his motive in throwing the bomb was not political. He had committed the act, he said, in a spirit of revenge against a person employed at the school whom he did not like.

6,641 Japanese Return to Tsingtao

With the return of 412 evacuees to Tsingtao March 4 from Japan, the Japanese population of the city was brought up to 6,641 persons. This figure, officials of the Japanese Residents' Corporation said, represented 38 per cent of the city's Japanese community before the outbreak of Sino-Japanese hostilities in Central China.

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FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

Soviets Reveal Vast Network of Intrigue Against U.S.S.R.

The Soviet mass trial which began in Moscow on March 2 before the Military Collegium of the Supreme Court has developed into another plethora of confessions, involving treason and espionage for Poland, Germany, Great Britain and Japan, all of which is admitted by the 21 defendants.

The name of the former Ambassador to China, M. Dimitri Bogomolov, was linked to fascist intrigue against the U.S.S.R. by the testimony of Christian Rakovsky, former President of the Ukraine. Since his return to Moscow late last year, M. Bogomolov has not been heard of, and although it was rumored that he had been arrested and shot, no confirmation of the report has ever been obtained.

Rakovsky explained how Piatakov had led him into espionage, in which he was connected with M. Yurenev, Soviet Ambassador to Tokyo and later Berlin, M. Bogomolov, Ambassador to China, and M. Sabanin, head of the Juridical Department of the Foreign Commissariat, Krestinsky had declared that M. Karakhan, former minister to Peking and Ambassador to Berlin and Ankara, was a spy. M. Karakhan was shot two months ago, and others who were tried with him have been imprisoned.

Rakovsky explained that the letter he had received from Trotsky, ordering him to employ terrorism and defeatism, had upset him, and that he had replied to Trotsky protesting against the use of such tactics, affirming that the situation was becoming better and that he wished to break his connections with Trotsky. However, Trotsky asserted that it was necessary to isolate M. Stalin in his international relations and reinforce capitalist aggression against the U.S.S.R.

Rakovsky, who remained dignified throughout the proceedings, mentioned one name after another of prominent personages in Britain with whom he alleged he had dealings.

In 1924, he said, he met two British naval officers and later had a meeting with the chief of the Russian Department of the British Intelligence in Oxford-street.

Later, he said, he returned to Moscow, where Trotsky approved of his joining the British Intelligence Service.

Rakovsky then mentioned the name of Sir Joynson Hicks, then British Home Secretary, and spoke of the Arcos raid and the subsequent rupture of Anglo-Soviet relations.

In the beginning of 1934, he went on, he became a Japanese spy and reported to Japan painting Russia in the blackest terms in order to arouse Japanese action against the Soviet.

Rakovsky declared that he had been blackmailed into becoming a Japanese spy by a letter which M. Piatakvo, former Assistant Commissar of Heavy Industries, persuaded him to deliver to M. Yurenev, in 1934, when M. Yurenev was the Soviet Ambassador in Tokyo.

As the letter was in cypher, M. Rakovsky was not aware of its contents.

"Mr. X." a prominent Japanese public figure, the defendant went on, had told him that the interests of Japan coincided with the interests of the Trotskyists, and asked him to join the Japanese Secret Intelligence Bureau.

M. Rakovsky said that he refused. Later, however, M. Yurenev told him that he was compromized and was forced to work for the Trotskyists and the Japanese by the delivery of the letter.

The letter, he was told, criticized M. Bogomolov, former Soviet Ambassador to China who was recently recalled from China and arrested, for being more favorably disposed towards Great Britain than towards a certain other foreign Power.

It also requested M. Yurenev to influence M. Bogomolov to divert some of the funds obtained from the sale, to Japan, of the Soviet interest in the Chinese Eastern Railway.

M. Rakovsky said that he then considered himself compromized and decided to join the Japanese Secret Service.

Persons Implicated by Moscow Testimony Deny Charges

All the persons abroad who have been implicated by the testimony of the accused, since the opening of the trial, have denied their connections with the Soviet leaders arraigned before the Court. Most heated denials have come from M. Leon Trotsky, wierd exile of the Soviet Union who is now in Mexico City, and whose son, Sedov, recently died in Paris under conditions which Trotsky claims are akin to murder.

"The trial follows the consistent method, but redoubles the sensational character of previous trials in Moscow," declared the former head of the Red Army, in an interview with the press March 5.

"The accusation proves the complete absurdity of the case in every respect. It is said that the old Guard Bolsheviks were entirely at the service of Foreigners. The same is said of Rykov, head of the Government, Zinoviev and Bukharin at the head of the Comintern, and it is asserted that I, as a member of the Politbureau in 1921 and head of the Red Army, was an agent of Germany, which was then on the way to a complete collapse. Who can believe that?

"One can say that the accused are miserable shadows of former Bolsheviks and that their confessions were extorted by the methods of the Inquisition.

"The alleged conspirators have been used by Stalin to further his policy in the present international circumstances. I and my pretended agents are supposed to have conspired in 1921 with Germany, Japan, Poland and Great Britain. It is to be noted that France, the principal enemy of the U.S.S.R. up to 1934, and the United States do not figure in this list, and it can be said with certainty that if the name of Great Britain is included it is simply because of the change in policies effected by Mr. Neville Chamberlain.

"The present trial seeks to justify the execution in June 1937 of the eight Generals, which shocked world opinion. The lying statements of Krestinsky and Rosengoltz on the subject of my relations with General Tukhachevski have demonstrated the criminal character of the decapitation of the Red Army.

"The French Police have established that I could not have met Krestinsky in Italy on October 10, 1933, for I was in France.

"The Stalin regime has become the principal danger for the U.S.S.R. in the economic, moral and military fields."

Belgian Defends Accused

"What a nightmare is this trial in Moscow," wrote M. Emile Vandervelde, President of the Belgian Socialist Party, in an article published March 6 in Le Peuple.

"Either, contrary to all probabilities, all the leaders of the U.S.S.R., with the exception of Stalin, were only a mass of traitors, and fascist spies paid by foreign countries, in which case what remains morally of the Soviet revolution? Or else those who are now on trial, have not committed or premeditated the horrible crime of which they are accused and are being prepared for a monstrous end—death after being dishonored. The only proof of their actions are their own avowals obtained by means which remain under a sinister shadow.

"As for the accused Rakovsky, whom I have known for 25 years and whom I reproach only for his revolutionary fanaticism, I will never be able to believe, even if he admitted it a hundred times, that he is a monstrous assassin, a spy and a traitor to the conviction that he has held all his life.

"I wonder what tortures have demoralized him, made him ill, transformed him into the pitiable rag of a human being such as stands before the Court.

"I do not know the others so intimately but I bear this witness to the morality of a former comrade. I wish that in this tragic moment he could know that some men remember him and refuse to have doubts about him."

Provincial Trials Under Way

Simultaneously with the Moscow trial, several other Trotzkyist trials are going on in various parts of Soviet Russia. The Moscow press is silent on the matter but details are revealed by the Soviet provincial press, *Transocean* reported March 7.

At Cheliabinsk, fourteen officials of a tractor factory are accused of Trotzykism, while at Sima near Chita, eleven railway officials are charged with espionage on behalf of Japan. In the town of Komsomolsk built by Communist youths in the Far East, seven young Communists including girls, are accused of having formed a Trotzkysit cell.

Seventeen members of the military garrison and four members of the local department of the Commissiarat of the Interior at Petropalovsk in Kamchatka have been executed for sabotage of the national defence and for undermining the Red Army.

Radek to Write Book

Karl Radek, an old Bolshevik leader under Lenin, has been instructed by the Ogpu to write a book on Trotskyism and its methods in the form of a personal confession.

Radek some months ago was imprisoned by the Ogpu for Trotskyism and banished to Siberia after a sensational trial. He has been living for some weeks near Leningrad. Because he made serious accusations against numerous leading Communists during the trial and was the first to draw the attention of the secret police to Marshal Tuchatshevsky who was subsequently shot, Radek was set free in order to work for the Ogpu.

Bukharin Denies Plot

Despite testimony to the contrary, M. Nikolai Bukharin, former President of the Internationale and editor of the "*Izvestia*, March 7 denied he had plotted the actual murder of M. Nikolai Lenin. He claimed he only wanted to arrest M. Lenin and M. Josef Stalin in order to protect their lives.

Bukharin made his denial in the face of incriminating testimony offered by Valerian Ossinsky who said that Bukharin and Leon Trotsky were at the bottom of the plot in which the socialist revolutionary, Fanny Kaplan, had shot M. Lenin in the neck in 1918.

Who's Who in China

王 愼 樂
Ross Wai Wong
(Wang Huai-loh)

Ross Wei Wong (Wang Huai-loh) M. D.; born at Toy Shan, Kwangtung 1898; graduated from Queen's University, Kingston, Canada with the degrees of M. D., C. M.; member of the Royal College of Physicians and Surgeons of Ontario; successively served as physician at St. Luke's Hospital, Shanghai; surgeon at the David Gregg Hospital, Canton; head of the Department of Surgery and of Anatomy at Hackett Medical College, Canton; president of Hackett Medical College and Affiliated Institutions since 1931; address: Hackett Medical College, Canton, China,

王載宇歷人
Leland Wang
(Wang Li-jen)

Leland Wang, Evangelist; born at Foochow, March 26, 1898; graduated from Naval Colleges, of Chefoo, Nanking and Woosung; called to preach the Gospel in 1921, as a travelling Evangelist; travelled in different Provinces of China, French Indo China, Siam, British Malaya, Dutch East Indies and Phillipines; went with his wife to speak in different cities in America in 1934; author of "Evangelistic Hymns" widely used in the Churches in China; editor of *Salvation Magazine* and writer of Christian Literature and Tracts; now president of "the Chinese Foreign Missionary Union," first of its type in China, organized for Missionary work by Chinese Christians in South Seas Islands; address: 13 Bonham Road, Hongkong.

Doctor Sails From Shanghai After Chinese Refuse Services

Dr. H. F. Erben, member of the Austro-American medical mission whose treatment in China caused considerable indignation and furore in both foreign and Chinese circles, sailed March 6 on the Nagasaki Maru for Japan en route to the United States after the Chinese Red Cross had finally fulfilled its contract with him, the *Evening Post* reports.

In settling for £300 instead of the £337 owed him according to the contract, Dr. Erben waived claim to £37 which he suggested the Red Cross use in future to aid other foreign doctors stranded in this country through no fault of their own.

The American doctor signed no statement signifying that he was satisfied with treatment accorded, a step which other members of the mission are said to have taken when induced to settle their contracts for £100, a small part of the sum due them. Dr. Erben merely signed a statement indicating that he and the Red Cross authorities had come to a satisfactory agreement.

Prior to the settlement, Dr. Erben was asked what his terms were. He stated that either he be put to work aiding the wounded, the task for which he was originally engaged, or his contract be fulfilled. Rather than employ the services of an experienced war doctor, the Red Cross paid Dr. Erben. He will thus not be able to visit the interior and become cognizant of the conditions under which medical work is carried out in China.

Dr. Erben, the only member of the mission who stood up for his rights and revealed an unwholesome condition in the Chinese Red Cross service, thus has received the best treatment of any member of the mission although the Chinese at first maintained that he had no contract and therefore was not entitled to any money whatever.

PAINTS AND PAINT WORK

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In the United States Court for China

WILLIAM SHEVCHENKO, Plaintiff, vs. DORA SHEVCHENKO, Defendant.	Cause No. 4301 Civil No. 2180 ORDER Filed at Shanghai, China, February 17, 1938. William T. Collins, Clerk.

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 15th day of February, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 15th day of February, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 15th day of February, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein for the past five years, and that defendant's last known address was 648 - 18th Street, Oakland, California

NOW, THEREFORE, it is this 17th day of February, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 12th day of March, 1938, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 17th day of February, 1938.

MILTON J. HELMICK
Judge.

Men and Events

A son was born to Mr. and Mrs. J. S. Brenneman at the Country Hospital on Feb. 28.

Proof of civilization's advance into Mongolia—*Domei* reports that the Tokyo Ministry of Communications has sent 16 telpehone operators and one girl-typist to Inner-Mongolia.

Michio Izawa, former manager of the Tokyo office of the South Manchuria Railway, and now a director of the Company is in Shanghai on a 10-day inspection of devastated areas.

The N. Y. K. has announced the addition of another ship, the Heiyo Maru, to the Shanghai-Nagasaki run, the addition being necessary because of increased traffic, according to the announcement.

A. B. Whatman delivered a lecture on the subject, "Oxford University Arctic Expedition of 1935-1936 to Northeast Land," at the Shanghai branch of the Royal Asiatic Society on Thursday, March 10.

Hallett Abend, Correspondent for the *New York Times*, will be host at cocktails and a reception in honor of his mother, Mrs. Kittie Bradbury, who is visiting here from Los Angeles, on Tuesday March 15, 6 to 8 o'clock.

Japanese military authorities denied a report from Hankow that a Japanese officer, Major-General Fujishima of the 103rd Division, had been executed at Nanking. The report claimed there is no officer by that name in the Army.

A new highway, upon which thousands of workers have been employed for several weeks, linking Wuchang and Changsha has been completed, according to announcement from Hankow on March 3.

Robert Scripps, director of the Scripps-Howard Newspapers, died on board his yacht at Santa Marguerita, Cal., on March 4. He was 42 years old. Mr. Scripps visited in China in 1923. The Scripps-Howard newspapers are owners of the *United Press*.

Mr. and Mrs. A. B. Ginsbourg of Shanghai have announced the engagement of their daughter Anna, to Jacob N. Frenkel of Hongkong. Miss Ginsbourg, who is a graduate of the Harbin Law College, is a frequent contributor of articles on legal subjects to *The Review*.

Madame Chiang Kai-shek announced a drive for funds to care for destitute children in war areas on March 4. She stated that $10,000 had been pledged but that much more was needed to alleviate suffering of the children, estimated to number more than 1,000,000.

Japan apparently has broken the world's record in rapid reduction of unemployment, according to *Domei*, which stated that 307,958 unemployed six months ago "have been reduced to 37,900" at the present time. The Army and "booming heavy industry" were credited with providing the jobs.

The Board of Trustees which has charge of the administration of the British Boxer Indemnity Fund met in Hongkong on March 4. Among those present were R. Calder-Marshall of Shanghai, Han Li-wu, who is secretary of the board. Li Shu-hua, a Chinese member was also among those present.

Mgr. Paul Yupin, Chinese Apostolic Vical of Nanking, now traveling in Europe, visited the Christian Working Youth in Paris, which is a union of Catholic workers, and thanked them for assistance given to young Catholic workers in China. Mgr. Yupin was handed the sum of Mrs. 10,000 which had been collected by the organization.

Burton H. Hall, an American pilot formerly employed by the China National Aviation Corporation, has been reported missing in the Philippines. He disappeared on Feb. 28 while flying from Manila to Paracale a distance of only 120 miles. He was carrying a considerably sum of money in the form of currency and checks, constituting the payroll of the Marsman Gold Mining Corporation.

The authorities of the official Japanese news agency, *Domei*, on March 5, expelled from their building in Tokyo, the correspondent of the official Soviet *Tass* Agency, Mr. Lonin. The action was taken in retaliation for the expulsion of the *Domei* correspondent from the *Tass* building in Moscow. The *Domei* report on the incident was headed, "Domei-Tass Relations Put on New Basis."

Nelson T. Johnson, U. S. Ambassador at Hankow, officially thanked the Chinese authorities for assistance extended to survivors of the U. S. S. Panay, after its bombardment by Japanese planes last December. The district administrations of Chaohsien and Luchow in Central Anhwei extended considerable help to the victims in the form of food, clothing and also in helping transport the wounded and others to places of safety. The Panay incident also received attention in the Tokyo Diet on March 4 when a member of the lower house named Jutaro Takahashi urged that a high naval officer "interested in international relations," be stationed in Central China in order to avert another Panay incident. Admiral Mitsumasa Yonai, Navy Minister, replying stated that the Panay incident was caused by "lack of communication and liason facilities and not by any personal deficiency." Charles L. Ensminger, a sailor on the Panay, who was killed in the bombing, was buried on Monday of this week with full military honors in Arlington Cemetery, Washington, D. C. Mr. Ensminger was one of the three killed, the others being Capt. C. H. Carlson of the Meian and Sig. Sandro Sandri, Italian journalst.

A report through *Kuomin* from Hongkong on March 4 stated that the Hongkong Government probably would reject a request of the Japanese Consul-General there that the British authorities prevent the publication within the British Colony of the Chinese newspapers *Ta Kung Pao* and *Shun Pao*, formerly published in Shanghai but which were forced to close becuase of Japanese censorship.

The International Association of Japan on March 3 voted to withdraw from the Federation of League of Nations Unions which has branches in most countries. The Japanese action was taken in retaliation for a resolution favoring an anti-Japanese boycott which was adopted by the Federation at a meeting in London on Feb. 13. The Japanese declared that the London conference "displayed a lack of sincerity and understanding."

The Federal Government of Malaya has announced a program of public works involving the expenditure of $9,500,000, which will provide employment for 20,000 Chinese miners who will shortly be thrown out of work by restrictions on the mining of tin. Strong opposition has been raised to the enforcement of the international reduction in the production of tin, according to the report from Kuala Lumper.

Deson Chungyuan Sze, younger son of Dr. Sao-ke Alfred Sze, former Ambassador to the United States, and Mrs. Sze, was married on March 3 to Miss Marjorie We-Kyum Tam, eldest daughter of Mr. and Mrs. J. H. Tam of Shanghai. Some 300 guests were present at the ceremony held at the Park Hotel. The couple departed on Tuesday of this week on a honeymoon trip to Hongkong where Mr. Tam is connected with the Bank of China.

A niece of Rev. C. L. Boynton of Shanghai, Mrs. Rachel Dozier Whitman and her infant son Donald, were killed in the Los Angeles flood disaster, according to telegrams received in Shanghai by Mr. and Mrs. Boynton last week. Mr. Whitman was also caught in the flood and seriously injured and is now in a hospital. Mrs. Whitman's mother, Mrs. Mary Boynton Dozier, is now in Shanghai visiting Mr. and Mrs. Boynton.

Mrs. John S. Potter, wife of J. S. Potter of the China Realty Company, arrived in Shanghai this week from Los Angeles where Mrs. Potter and their two children John and Patricia have resided for some time. Mrs. Potter has recently written several articles dealing with China in the *Cosmopolitan* and in addition is the author of a book soon to be published. Mr. and Mrs. Potter and their children will reside at the home of Mrs. T. C. Britton, 100A Amherst Avenue.

Dr. Li Szu-kwang, Director of the Geological Institute of Academia Sinica, who has been in Yunnanfu, capital of Yunnan province for sometime, has announced the discovery of rich oil deposits in the province. In a telegram to Hankow he stated that experiments are now being conducted to determine the quality of the oil. Following the outbreak of Sino-Japanese hostilities, the various departments of Academia Sinica were removed from Shanghai and Nanking to Yunnanfu and Kweilin, capital of Kwangsi province.

A German student named Hildebrandt, who was kidnapped on Mar. 1 by a band of Chinese bandits near Peiping, was released on Mar. 4 about 30 miles from Peiping. Hildebrandt, accompanied by six Chinese assistants, was inspecting a Chinese coal mine when the party was attacked and kidnapped. Hildebrandt was formerly an exchange student at Tsinghua University but is now attending Yenching. The coal mine the students were inspecting is located at Mentoukow on the western outskirts of the city. The Japanese military had given permission for the party to make the trip.

The session of the International Amateur Athletic Federation at Cairo, Egypt, which is considering the venue of the Olympic Games, was thrown into confusion on March 3 when the Norwegian delegate, M. Oppergaard, declared his regret that a country in a state of war had been entrusted with the organization of the next games, scheduled for Tokyo in 1940. Mr. Oppergaard insisted that his statement he included in the official minutes, but did not indicate whether the Norwegians would refuse to send a team to Tokyo in the event the games are held there, despite the continuation of the Sino-Japanese war. The Japanese delegate, Nagai, declared that the games would he held in Tokyo "even if the Sino-Japanese conflict was still in progress. It was also thought that Great Britain would refuse to participate in the meet if held in Tokyo.

Joseph Rinehart, or to use his Chinese name, Fung Kwok Keung, is now back in New York studying the English language and trying to Americanize himself after spending fifteen years of his life in the village of Nam Hoi, outside Canton. When Rinehart arrived at Seattle on his way to New York he attracted wide attention due to his inability to speak English. Rainehart's mother, in dire straits, had abandoned him when four months old in a Chinese restaurant owned by a Chinese named Fung Dong, a Cantonese. The boy, legally adopted, was taken to the village of Nam Hoi where he was raised as a Chinese, language, clothing and all, along with five other children, four sons and one daughter. Recently when the war came on, the Chinese foster father sent for his now 19-year old "American" son and the boy is in New York studying English and is trying to familiarize himself with American customs, including the wearing of his first suit of foreign style clothing.

Sir Reginald Fleming Johnston, for many years tutor of Henry Pu-Yi, Manchu Boy Emperor, died at Edinburgh, Scotland on March 7.

Irene Kuhn, formerly a member of the staff of *The China Press* at Shanghai, is the author of a new book entitled, "Assigned to Adventure," shortly to be issued by J. B. Lippincott Company, Philadelphia.

Two Italian Catholic missionaries were killed by Japanese airbombs dropped on the town of Chengchow, Honan on March 8. The bomb, dropped in the residential section of the city, struck and destroyed the Catholic church.

Edwin Haward, who has been editor of *The North-China Daily News* for practically ten years, has resigned his position, according to a notice in the paper on Wednesday of this week. The reason for his resignation was stated to be poor health, his physician having advised against his return to Shanghai. Mr. Haward returned to England several weeks ago on leave.

George Atcheson, Jr., First Secretary of Embassy and Consul at Nanking, has returned to the Chinese National Capital after several weeks vacation in the Philippines. He traveled aboard the U. S. S. Oahu, which departed from Shanghai on Tuesday of this week. Mr. Atcheson was aboard the U. S. S. Panay when the gunboat was attacked by Japanese bombers last December.

The Chinese authorities at Hankow denied that three Spanish priests had been kidnapped by Chinese guerillas and taken to the Hofei (Luchowfu) area of Central Anhwei early in the present month. The Hankow report stated that the three priests, instead of being kidnapped, had been escorted from the fighting zone in the Shuitang district near Ningkwo, to a place of safety at Twunhsi.

M. D. Wijnkoop and M. L. de Visser, members of the Communist Party in the Lower Chamber of the Netherlands Parliament, urged that more native East Indians be enlisted in the Netherlands Indian Army "because, for the Netherlands Indies there is only one enemy—Japan." Dr. J. Welter, Minister of Colonies, said that an army of 60,000 troops in Java and a strong air force would make it "very dangerous" for a foreign power to invade the Netherlands Indies.

Dr. James Welford Ridgway, well known American dentist in Shanghai, died of pneumonia at the Country Hospital on the evening of March 8. He is survived by Mrs. Ridgway and two children, the wife and daughter being in San Francisco. The son is enrolled in the American School. Dr. Ridgway was born in Washington, D. C., April 2, 1894 and attended Georgetown University and served for a time in the Navy. He was a member of the S.V.C. and was active in the American and international communities.

Dr. Frank E. Burch of St. Paul, Minn., and Mrs. Burch, passed through Shanghai this week on their way home from Cairo, Egypt, where Dr. Burch was a delegate to the International Congress of Ophthalmology. Dr. Burch is a member of the medical faculty of the University of Minnesota and a former President of the American Society of Ophthalmology and during the World War was director of Base Hospital at Camp Dodge. While in Shanghai, Dr. and Mrs. Burch were guests of Mr. and Mrs. J. V. Crowe of the Ford Company.

The U. S. Fifteenth Infantry Regiment, stationed in Tientsin almost continuously since the Boxer Rebellion, sailed from Chinwangtao on the Transport Grant for the United States on March 4. Almost the entire population of Tientsin turned out to say farewell to the members of the Regiment when it marched to the Tientsin railway station on March 2. Troops of various European garrisons, including British, French and Italian forces lined the route of march. On the evening prior to departure the British civilian population if Tientsin presented the officers of the Regiment with a silver salver containing the motto of the British Municipal Council at Tientsin, "Courtesy Among Nations."

The labor troubles of the Chung Hwa Book Company, involving threatened unemployment of several thousand workers, have been referred to the First Special District Court by the Company's attorneys. Judge Kwei of the Court has offered mediation with hearing set for March 21. Owing to the war situation the Company decided to remove its printing works to Hongkong and while several thousand workers have gone to the British Colony, some 2,000 were left in Shanghai whom the Company offered to pay several months' salary, pending dismissal The workers refused to accept and for a time besieged the factories, some of which are still occupied. Both sides finally agreed to mediation.

British Cooperatives Extend Ban on Japanese Merchandise

The British National Cooperative Authority, at a meeting in Manchester on March 4 recommended that the members of all cooperative societies cease purchasing Japanese goods during the period of the Sino-Japanese conflict.

The National Cooperative Authority represents every section of the cooperative movement and also includes the Cooperative Union of Great Britain.

First Steps!

It is a red-letter day for parents when baby takes his first steps. Soon he will have left babyhood behind and some of the worries attendant upon his early months will be lifted from parents' shoulders.

But, remember, the risks of health upsets are as great as ever. He will be running about getting over - heated with consequent danger of chills, probably he will be eating food which may not agree with him, and in other ways incurring the risk of health troubles.

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Shanghai

New Books of Interest in the Far East

Consensus of Educational Opinion

Education in Pacific Countries, by Felix M. Keesing. Kelly and Walsh, Limited, Shanghai, 2937. $5.00.

Dr. Felix Keesing, professor of anthropology, University of Hawaii, has written an interpretation of a seminar-conference of educators and social scientists sponsored jointly by the University of Hawaii and Yale University, in Honolulu, from July 3 to August 7, 1936. The conference spent five weeks studying the education and cultural adjustment among the peoples living within the Pacific Ocean area. Most of the conference members attended on personal invitation, being experts, and some were nominated by governments. Although the gathering was unofficial, the British, French and Dutch Colonial Offices and the Japanese Foreign Office gave full cooperation. Other organizations who aided include: the Institute of Pacific Relations, the Councils for Educational Research in Australia and New Zealand, the Julius Rosenwald Fund, the General Education Board, the Phelps-Stokes Fund, and the Committee on Cooperation in Latin America.

The sessions were closed to the public and the press, except for a series of evening addresses. This made possible intimate and informal discussion. No resolutions were passed, no official findings formulated, no continuing organization established. The emphasis of the series of meetings was less on the processes, techniques, or administration of education than upon the results; less upon finding solutions than upon understanding the human scene within which education operates, and evaluating the effects of educational experiments to date in the different areas.

The members of the conference saw the Pacific today as having entered upon an entirely new era. Pacific peoples fall into five main groups. First, the scattering remnants of people, like the Aborigines of Australia, Ainus of northern Japan and pygmy Negritos of Malaysia. Then a second group set apart in isolated and inhospitable environments. A third type is where peoples once isolated have happened to be in the direct pathways of western expansion, hence had to adjust their lives drastically. The fourth type, large dependencies with many millions of people, governed by far smaller alien minorities, such as in the Netherlands East Indies. The fifth group of peoples are those whose destiny is in their own hands: China, Japan, Mexico and the republics of South America.

All the members agreed in a general way that the welfare of the peoples concerned was the paramount consideration of the conference. Some felt education must be closely fitted to the needs of the community; others saw the educator as having a more dynamic role, and some said: "We must train our pupils for local life, and to make an intelligent adjustment to surely increasing alien contacts." Several members visualized a future world in which there would be a far greater degree of cultural integration and "synthesis" than exists today. A Chinese said: "There can be only one culture in the future—a world culture." A number of others formulated educational objectives in national rather than cultural terms, and some "heads were shaken because of the strong nationalistic tendency which marked the educational policies in certain countries.

One group of Americans insisted: "Education must be a means of making life today richer and more adequately lived. Education must work from what is, hence it must have a respect for existing cultures. But nothing is to be defended as permanent. New generations will reshape things to meet their own needs. Ours is a philosophy of immediate education, not of final ends."

The race factor and education caused much discussion. Many expressed the opinion intelligence tests did not reveal the potentialities of capacity but merely how far training has been carried at the time of testing.

Members said: "The basic assumption must be that the mass of people in any group are educable even to the higher grades, and until all social and economic handicaps have been removed, no modification of the assumption, based on psychological or biological grounds, is permissible." The educator must also seek to counteract any "assertions of racial superiority and inferiority, based on unproved data." Everyone seemed to look forward to some form of local synthesis which would meet the needs of life in a changing world, which would be based on a critical approach to all existing cultures.

A surprising diversity of the control of education in the Pacific countries was noted, particularly the fact that not a few governments leave schooling almost entirely to religious bodies, especially to Christian missions. On the other hand, governments, as in China, prohibit religious propaganda even in mission schools. Proponents of private and public education brought forth their arguments. It was asked if there is justification for continuing private schools that parallel government institutions.

There was much discussion of different mass education movements, with high praise accorded to that started in China by Y. C. James Yen. The instruction of women and girls, it was brought out, is not properly taken care of, administrations failing to realize the profound significance of seeing that girls and women are adequately educated. China's system in recent years of giving girls exactly the same education as boys was criticized, it being held that such training pays little attention to the "art of homemaking, parenthood, family relationship and the like," tending to educate "away from the parents and grand-parents, away from child rearing, and perhaps away from the home itself."

To meet the needs of all humanity, it was suggested there might be such definite attempts as health education, vocational training, religious training, and education for leisure. Some members held religion had no place in the schools, while others were equally strong in holding religious education must have an important place in the school process. The British Advisory Committee on Colonial Education is a strong supporter of religious education for all colonial people.

There was much divergence of opinion as to the need for higher learning for all, with plans of various countries being examined in detail. Education of special groups, the conflict between language and literacy, and the teacher and his methods also came in for a full share in the discussion-meetings.

The need was stressed for students in all countries to bend their efforts towards gaining a much better understanding of the prime object of education: Man. M. V.

Japanese Soldier Responsible for Birt Attack to Be Punished

The Japanese soldier responsible for the injury of Dr. Ed. Birt, head of the Paulun hospital and internationally known German surgeon, 10 days ago, will be punished, a Japanese military spokesman told correspondents and newsmen March 9.

The spokesman continued that the degree of punishment the soldier will receive depends on the outcome of Dr. Birt's condition. He indicated that if the doctor recovers without losing his eye, the punishment will be less severe.

According to recent reports, the doctor may not lose the sight of the injured eye but probably will carry a bad scar.

Dr. Birt was injured while riding in the Hungjao area, Sunday morning, February 27. He and a companion had dismounted from their horses and were preparing to enter Hungjao Villege when the doctor was, according to his version, attacked and struck by a Japanese soldier.

The soldier was using a dagger, according to both the doctor and his companion. A blow delivered with the handle of the weapon caused a severe gash above the doctor's eye and he has been receiving medical treatment since that time.EThe German consular authorities lodged a protest with the Japanese Consulate General.

Japanese Threaten to Cross Yellow River

Advancing swiftly in the past few days, Japanese forces swept the remnants of Chinese opposition before them in their furious drive until on March 8 they attained the possession of the southwestern corner of Shansi, occupying all important towns in that area.

Observers who had begun to doubt that Japanese would essay a crossing of the Yellow River were revising their beliefs after seeing trainload after trainload of pontoon boats bound south along the Pinghan Railway in recent days.

Although Tungkwan is said to be strongly fortified and defended by a large number of Chinese troops who are well-armed, little hope was held for it because of the furious bombardment it was undergoing.

On the Honan front Japanese artillery was reported to be blasting Chinese fortifications on the south bank of the Yellow River. Japanese batteries east of Menghsien concentrated on Fanshui and the vicinity.

Japanese troops completed their occupancy of southwestern Shansi with the fall of Puchow March 7, a Japanese military spokesman said.

China Seeking Foreign Loan

Reuter understands that certain Chinese interests have approached a group of London banks for 12 or 24 months credits, offering as security part of the silver recently shipped to London and proposing interest at 4 per cent, the silver to be valued for the purposes of security at 12 pence an ounce.

It is believed that the object in seeking these credits is to guarantee China's payments on foreign loans. It is generally thought that China desires to maintain her credit abroad.

China's financial reserves are the one item in which she can claim supremacy over Japan, says the News Chronicle in an editorial on March 7.

China Calls German Response to Protest "Insincere"

Dissatisfaction with Germany's reply to the Chinese protest concerning Herr Hitler's announcement of the German recognition of Manchukuo, was expressed in Chinese circles in Hankow March 9.

Chinese circles objected to the form of the reply which was written as a private letter and which was sent by Herr von Ribbentrop, German Foreign Minister, to the Chinese Ambassador at Berlin.

Objections—on the grounds of insincerity—were also made to the German contention that the recognition of Manchukuo was not "an unfriendly act towards China," nor indicated a change in the German attitude of neutrality in the Far Eastern conflict.

Chinese Doubt That Japanese Use Guerilla Tactics

Reports that the Japanese forces on the Hwai River front had adopted guerilla tactics were ridiculed in Hankow March 8 by a Chinese strategist.

He pointed out that they had not adopted real guerilla methods because they were not in a position to rely on this type of warfare. He based his belief on four principlesk

1. No Chinese peasant is willing to help Japanese troops while guerillas must depend on the support of the masses.
2. Guerillas must know well the topography of certain districts while Japanese soldiers are mostly strangers.
3. Guerillas must depend on night attacks while Japanese troops in China seldom dare attack at night.
4. Guerillas gain victories usually by cutting the rear communication lines and prevent war supplies from reaching the main troops while Japanese troops in most regions do not touch rear guards of the Chinese forces.

Japanese Air Lines Link Shanghai, North China

Three Japanese-controlled aviation companies have pooled their resources to establish regular passenger service linking various cities in Central and North China now under Japanese military occupation, the Shanghai *Nippo* reports.

The Japan Air Transport Company, the Hui Tung Aviation Company and the Manchuria Air Transport Company will operate the services. Daily service will be available between Shanghai and Tokyo. Tentative rates and schedules were announced as follows: Shanghai-Fukuoka, Yen 85 Three times a week; Shanghai-Nanking, Yen 30 Daily; Shanghai-Hangchow, Yen 25 Daily; Hangchow-Nanking, Yen 25 Daily; Shanghai-Peiping, Yen 150 Three times a week; Shanghai-Tientsin, Yen 130 Three times a week; Shanghai-Dairen, Yen 120 Three times a week; Shanghai-Tsingtao, Yen 80 Three times a week.

It should be pointed out that the contracts for the Shanghai-Nanking, Shanghai-Peiping, Shanghai-Tientsin and Shanghai-Tsingtao lines are held by the China National Aviation Corporation, a subsidiary of Pan-American Airways.

U.S. Not Aware of Evils of Communism, Says Hirota

Asked whether any negotiations were in progress between Japan and the United States regarding the control of Communist activity, Mr. Koki Hirota, Foreign Minister, told the budget committee in the House of Representatives March 7 that the American people apparently were not fully aware of the evils of Communism.

Capitalism which is flourishing in the United States is diametrically opposed to Communism, he said, and therefore when the American people awakened to the evils of Communism, Japan "will start negotiations not only with the United States, but with Britain, the Netherlands and other countries, for the diffusion of anti-Comintern spirit."

Interpellated regarding the question of fisheries off Bristol Bay, the Foreign Minister said there apparently was much misunderstanding on the part of the United States concerning the matter. Negotiations were going on, he stated, between Japan and the United States in connection with the fisheries, but they had not advanced to such a state as would warrant any statement being issued.

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United States Claims Small Pacific Islands

The United States may despatch a landing force to the small Enderbury and Canton islands both in the Phoenix group in the southern Pacific, following the President's proclamation of American sovereignty over the islands, it is understood in Washington.

The White House, State Department and Navy Department referred all inquiries on the report to each other, but no official sources denied the report. The two Pacific Islands are important links in trans-Pacific airlines and might be valuable to the Navy in time of war.

Conversations are now being conducted through diplomatic channels between London and Washington, says Reuter's Diplomatic Correspondent, regarding the formal claim of the United States to the islands of Canton and Enderbury, which form part of the Phoenix Group of Islands, in the middle of the Pacific.

The Phoenix Group of Islands were incorporated for the Administrative purposes of the Gilbert and Ellice Islands Colony by an Order-in-Council on March 18, 1937.

The questions arising from the American claim, made in an executive order signed by President Roosevelt alleging that the islands were discovered by American whalers, are being examined with a view to the speedy conclusion of a friendly agreement. It is not anticipated in London, the correspondent asserts, that there will be any difficulty in reaching a settlement.

The Australian and New Zealand Governments, it is understood, are participating in the discussions. Great Britain claims sovereignty over the entire Phoenix group of islands.

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If you have one bilious attack after another, if you wake up in the morning with a coated tongue and a bitter taste in your mouth, if you find it difficult to control your temper, if you suffer from flatulence and sick headaches, if you have a pimply complexion and ill-smelling breath, you should know that all such troubles are the punishment which nature imposes upon you for internal neglect.

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Beginning from January, the Shanghai International Red Cross has undertaken the responsibility of supporting some 150,000 more refugees. For this additional relief burden, no less than $450,000 are required per month.

In view of this desperate situation, the Shanghai International Red Cross feels that unless increasingly large donations can be obtained from friends in outports and abroad, its work cannot go on unhampered. Will you extend a helping hand in this humanitarian work? If so, please sign the blank below and send your donation today.

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